# FIRST QUARTER 2022
# EARNINGS CONFERENCE CALL

**Interpublic Group**
**April 28, 2022**

# Overview — First Quarter 2022

- Net revenue growth was +9.8% and organic growth of net revenue was +11.5%
  - U.S. organic growth was +12.2%
  - International organic growth was +10.2%
  - Double-digit percent organic growth in each reportable segment

- Net income as reported was $159.4 million

- Adjusted EBITA before restructuring charges was $273.6 million, with margin on net revenue of 12.3%

- Diluted EPS was $0.40 as reported and was $0.47 as adjusted

- Repurchased $63 million under the reauthorized share repurchase program

- Pleased with our strong start to the year and tone of business

Organic change of net revenue, adjusted EBITA before Restructuring Charges and adjusted diluted EPS are non-GAAP measures. Management believes these metrics provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance. See our non-GAAP reconciliations of organic net revenue change on page 14 and adjusted results on pages 15-18.

# Operating Performance

| | Three Months Ended March 31, 2022 | | 2021 | |
|---|---|---|---|---|
| **Net Revenue** | **$** | **2,227.2** | **$** | **2,027.7** |
| Billable Expenses | | 341.3 | | 229.3 |
| **Total Revenue** | | **2,568.5** | | **2,257.0** |
| Salaries and Related Expenses | | 1,564.4 | | 1,393.1 |
| Office and Other Direct Expenses | | 323.4 | | 292.9 |
| Billable Expenses | | 341.3 | | 229.3 |
| **Cost of Services** | | **2,229.1** | | **1,915.3** |
| Selling, General and Administrative Expenses | | 19.3 | | 28.2 |
| Depreciation and Amortization | | 67.8 | | 69.2 |
| Restructuring Charges | | 6.6 | | 1.3 |
| **Total Operating Expenses** | | **2,322.8** | | **2,014.0** |
| **Operating Income** | | **245.7** | | **243.0** |
| Interest Expense, net | | (29.6) | | (42.7) |
| Other Expense, net [1] | | (6.2) | | (83.9) |
| **Income Before Income Taxes** | | **209.9** | | **116.4** |
| Provision for Income Taxes | | 49.1 | | 23.8 |
| Equity in Net Income (Loss) of Unconsolidated Affiliates | | 0.1 | | (0.2) |
| **Net Income** | | **160.9** | | **92.4** |
| Net Income Attributable to Non-controlling Interests | | (1.5) | | (0.7) |
| **Net Income Available to IPG Common Stockholders** | **$** | **159.4** | **$** | **91.7** |
| Earnings per Share Available to IPG Common Stockholders - Basic | $ | 0.40 | $ | 0.23 |
| Earnings per Share Available to IPG Common Stockholders - Diluted | $ | 0.40 | $ | 0.23 |
| Weighted-Average Number of Common Shares Outstanding - Basic | | 394.5 | | 391.5 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | | 398.4 | | 396.0 |
| Dividends Declared per Common Share | $ | 0.290 | $ | 0.270 |

[1] Includes a loss of $74.0 on early extinguishment of debt for the three months ended March 31, 2021.

($ in Millions, except per share amounts)

# Net Revenue

| | Three Months Ended | |
|---|---|---|
| | $ | % Change |
| **March 31, 2021** | **$ 2,027.7** | |
| Foreign currency | (27.6) | (1.4%) |
| Net acquisitions/(divestitures) | (6.7) | (0.3%) |
| Organic | 233.8 | 11.5% |
| **Total change** | **199.5** | **9.8%** |
| **March 31, 2022** | **$ 2,227.2** | |

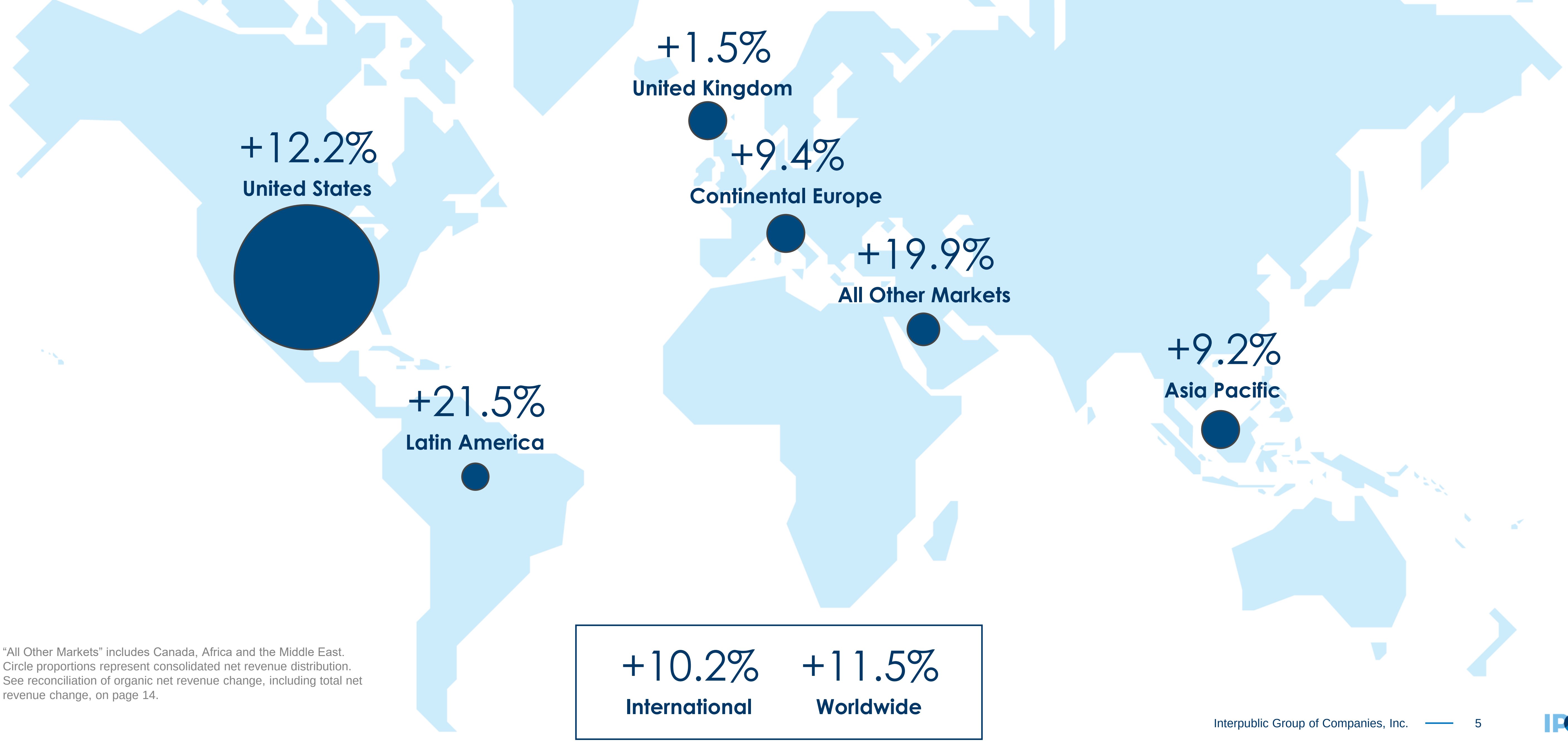
| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | | | Change | |
| | 2022 | 2021 (1) | Organic | Total |
| **Media, Data & Engagement Solutions** | $ 932.1 | $ 849.8 | 11.5% | 9.7% |
| IPG Mediabrands, Acxiom, and Kinesso, and our digital and commerce specialist agencies, which include MRM, R/GA, and Huge | | | | |
| **Integrated Advertising & Creativity Led Solutions** | $ 958.8 | $ 875.7 | 11.2% | 9.5% |
| McCann Worldgroup, IPG Health, MullenLowe Group, FCB, and our domestic integrated agencies | | | | |
| **Specialized Communications & Experiential Solutions** | $ 336.3 | $ 302.2 | 12.5% | 11.3% |
| IPG DXTRA and DXTRA Health, Weber Shandwick, Golin, and our sports, entertainment and experiential agencies | | | | |

(1) Results for the three months ended March 31, 2021 have been recast to reflect our new reportable segments.
See reconciliation of segment organic net revenue change on page 14.

($ in Millions)

# Organic Net Revenue Change by Region

Three Months Ended March 31, 2022



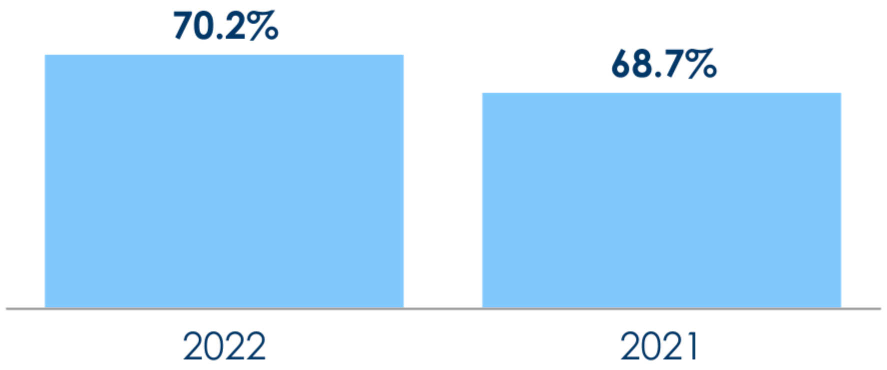

| +10.2% | +11.5% |
|---|---|
| International | Worldwide |

"All Other Markets" includes Canada, Africa and the Middle East.
Circle proportions represent consolidated net revenue distribution.
See reconciliation of organic net revenue change, including total net revenue change, on page 14.

# Operating Expenses % of Net Revenue

Three Months Ended March 31

### Salaries & Related




### Office & Other Direct


### Selling, General & Administrative


### Depreciation & Amortization[(1)]


### Amortization of Acquired Intangibles


### Restructuring Charges


(1) Excludes amortization of acquired intangibles.

# Adjusted Diluted Earnings Per Share

| | Three Months Ended March 31, 2022 | | | | |
|---|---|---|---|---|---|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges [1] | Net Losses on Sales of Businesses | Adjusted Results (Non-GAAP) |
| **Operating Income and Adjusted EBITA before Restructuring Charges [2]** | **$ 245.7** | **$ (21.3)** | **$ (6.6)** | | **$ 273.6** |
| Total (Expenses) and Other Income [3] | (35.8) | | | $ (6.4) | (29.4) |
| **Income Before Income Taxes** | **209.9** | **(21.3)** | **(6.6)** | **(6.4)** | **244.2** |
| Provision for Income Taxes | 49.1 | 4.2 | 1.6 | 0.0 | 54.9 |
| *Effective Tax Rate* | *23.4 %* | | | | *22.5 %* |
| Equity in Net Income of Unconsolidated Affiliates | 0.1 | | | | 0.1 |
| Net Income Attributable to Non-controlling Interests | (1.5) | | | | (1.5) |
| **DILUTED EPS COMPONENTS:** | | | | | |
| **Net Income Available to IPG Common Stockholders** | **$ 159.4** | **$ (17.1)** | **$ (5.0)** | **$ (6.4)** | **$ 187.9** |
| Weighted-Average Number of Common Shares Outstanding | 398.4 | | | | 398.4 |
| **Earnings per Share Available to IPG Common Stockholders [4]** | **$ 0.40** | **$ (0.04)** | **$ (0.01)** | **$ (0.02)** | **$ 0.47** |

(1) Restructuring charges of $6.6 in the first quarter of 2022 were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.
(2) Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 16.
(3) Consists of non-operating expenses including interest expense, interest income, and other expense, net.
(4) Earnings per share amounts calculated on an unrounded basis.
See full non-GAAP reconciliation of adjusted diluted earnings per share on page 15.

($ in Millions, except per share amounts)

# Cash Flow

| | | Three Months Ended March 31, 2022 | Three Months Ended March 31, 2021 |
|---|---|---|---|
| **Net Income** | | **$ 160.9** | **$ 92.4** |
| **OPERATING ACTIVITIES:** | Depreciation & amortization | 81.0 | 92.2 |
| | Deferred taxes | 19.9 | 18.2 |
| | Other non-cash items | 12.3 | 2.4 |
| | Net losses on sales of businesses | 6.4 | 12.5 |
| | Loss on early extinguishment of debt | — | 74.0 |
| | Change in working capital, net | (865.4) | (496.9) |
| | Change in other non-current assets & liabilities | (48.7) | (44.6) |
| | **Net cash used in Operating Activities** | **(633.6)** | **(249.8)** |
| **INVESTING ACTIVITIES:** | Capital expenditures | (30.7) | (28.3) |
| | Net proceeds from investments | 2.6 | 28.8 |
| | Other investing activities | (0.7) | (0.3) |
| | **Net cash (used in) provided by Investing Activities** | **(28.8)** | **0.2** |
| **FINANCING ACTIVITIES:** | Common stock dividends | (118.3) | (109.1) |
| | Repurchases of common stock | (63.1) | — |
| | Tax payments for employee shares withheld | (38.3) | (22.4) |
| | Distributions to noncontrolling interests | (3.1) | (3.3) |
| | Acquisition-related payments | (1.1) | (3.4) |
| | Proceeds from long-term debt | — | 998.1 |
| | Early extinguishment of long-term debt | — | (1,066.8) |
| | Exercise of stock options | — | 8.0 |
| | Net increase (decrease) in short-term borrowings | 13.9 | (2.9) |
| | Other financing activities | (0.1) | (10.9) |
| | **Net cash used in Financing Activities** | **(210.1)** | **(212.7)** |
| Currency effect | | 5.0 | (30.4) |
| **Net decrease in cash, cash equivalents and restricted cash** | | **$ (867.5)** | **$ (492.7)** |

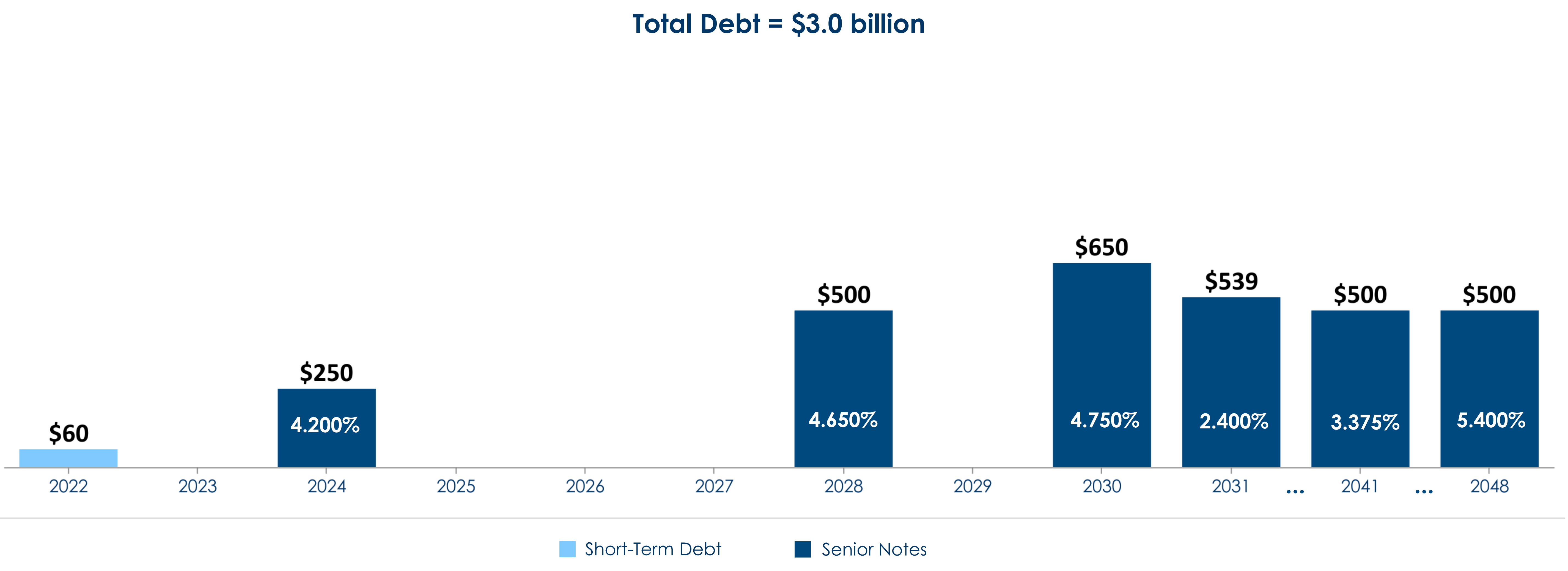
($ in Millions)

# Balance Sheet — Current Portion

| | | March 31, 2022 | December 31, 2021 | March 31, 2021 |
|---|---|---|---|---|
| **CURRENT ASSETS:** | Cash and cash equivalents | $ 2,402.3 | $ 3,270.0 | $ 2,015.3 |
| | Accounts receivable, net | 4,179.9 | 5,177.7 | 3,440.3 |
| | Accounts receivable, billable to clients | 2,155.3 | 2,347.2 | 1,842.7 |
| | Assets held for sale | 30.4 | 8.2 | 4.5 |
| | Other current assets | 502.1 | 428.7 | 467.4 |
| | **Total current assets** | **$ 9,270.0** | **$ 11,231.8** | **$ 7,770.2** |
| **CURRENT LIABILITIES:** | Accounts payable | $ 7,245.3 | $ 8,960.0 | $ 5,862.0 |
| | Accrued liabilities | 590.9 | 918.1 | 608.9 |
| | Contract liabilities | 760.0 | 688.5 | 689.1 |
| | Short-term borrowings | 59.1 | 47.5 | 43.1 |
| | Current portion of long-term debt | 0.6 | 0.7 | 502.8 |
| | Current portion of operating leases | 270.3 | 265.8 | 268.8 |
| | Liabilities held for sale | 28.0 | 9.4 | 9.8 |
| | **Total current liabilities** | **$ 8,954.2** | **$ 10,890.0** | **$ 7,984.5** |

($ in Millions)

# Debt Maturity Schedule




($ in Millions)

# Summary

- A strong start to the year, with solid tone of business

- Continued focus on driving growth
  - Building on our industry-leading foundation
    - Strong agency brands
    - Exceptional talent
    - Data capabilities at scale
    - Creative and innovative marketing solutions
    - Integrated digital and digital specialists
    - "Open architecture" agency collaboration

- Effective expense management is an ongoing priority

- Flexible business model is positioned to address macro uncertainty

- Financial strength is a continued source of value creation

# Appendix

# Depreciation and Amortization

| | 2022 Q1 | | 2022 Q2 | | 2022 Q3 | | 2022 Q4 | | YTD 2022 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Depreciation and amortization [1] | $ | 46.5 | | | | | | | **$** | **46.5** |
| Amortization of acquired intangibles | | 21.3 | | | | | | | | **21.3** |
| Amortization of restricted stock and other non-cash compensation | | 12.5 | | | | | | | | **12.5** |
| Net amortization of bond discounts and deferred financing costs | | 0.7 | | | | | | | | **0.7** |

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

(1) Excludes amortization of acquired intangibles.

($ in Millions)

# Reconciliation of Organic Net Revenue

| | | Three Months Ended March 31, 2021 | Components of Change: Foreign Currency | Components of Change: Net Acquisitions / (Divestitures) | Components of Change: Organic | Three Months Ended March 31, 2022 | Change: Organic | Change: Total |
|---|---|---|---|---|---|---|---|---|
| **SEGMENT:** | Media, Data & Engagement Solutions [1] [2] | $ 849.8 | $ (15.1) | $ (0.1) | $ 97.5 | $ 932.1 | 11.5% | 9.7% |
| | Integrated Advertising & Creativity Led Solutions [1] [3] | 875.7 | (9.5) | (5.8) | 98.4 | 958.8 | 11.2% | 9.5% |
| | Specialized Communications & Experiential Solutions [1] [4] | 302.2 | (3.0) | (0.8) | 37.9 | 336.3 | 12.5% | 11.3% |
| | **Total** | **$ 2,027.7** | **$ (27.6)** | **$ (6.7)** | **$ 233.8** | **$ 2,227.2** | **11.5%** | **9.8%** |
| **GEOGRAPHIC:** | **United States** | **$ 1,309.8** | **$ —** | **$ —** | **$ 160.3** | **$ 1,470.1** | **12.2%** | **12.2%** |
| | **International** | **717.9** | **(27.6)** | **(6.7)** | **73.5** | **757.1** | **10.2%** | **5.5%** |
| | United Kingdom | 184.0 | (4.3) | — | 2.7 | 182.4 | 1.5% | (0.9%) |
| | Continental Europe | 175.8 | (13.0) | — | 16.5 | 179.3 | 9.4% | 2.0% |
| | Asia Pacific | 169.1 | (6.7) | (3.3) | 15.5 | 174.6 | 9.2% | 3.3% |
| | Latin America | 75.4 | (3.8) | (0.1) | 16.2 | 87.7 | 21.5% | 16.3% |
| | All Other Markets | 113.6 | 0.2 | (3.3) | 22.6 | 133.1 | 19.9% | 17.2% |
| | **Worldwide** | **$ 2,027.7** | **$ (27.6)** | **$ (6.7)** | **$ 233.8** | **$ 2,227.2** | **11.5%** | **9.8%** |

(1) Results for three month ended March 31, 2021 have been recast to reflect our new reportable segments.
(2) Comprised of IPG Mediabrands, Acxiom, and Kinesso, as well as our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.
(3) Comprised of McCann Worldgroup, IPG Health, MullenLowe Group, FCB, and our domestic integrated agencies.
(4) Comprised of IPG DXTRA and DXTRA Health, Weber Shandwick, Golin, and our sports, entertainment and experiential agencies.

($ in Millions)

# Reconciliation of Adjusted Results [1]

| | Three Months Ended March 31, 2022 | | | | |
|---|---|---|---|---|---|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges [2] | Net Losses on Sales of Businesses | Adjusted Results (Non-GAAP) |
| **Operating Income and Adjusted EBITA before Restructuring Charges [3]** | **$ 245.7** | **$ (21.3)** | **$ (6.6)** | | **$ 273.6** |
| Total (Expenses) and Other Income [4] | (35.8) | | | $ (6.4) | (29.4) |
| **Income Before Income Taxes** | **209.9** | **(21.3)** | **(6.6)** | **(6.4)** | **244.2** |
| Provision for Income Taxes | 49.1 | 4.2 | 1.6 | 0.0 | 54.9 |
| *Effective Tax Rate* | *23.4 %* | | | | *22.5 %* |
| Equity in Net Income of Unconsolidated Affiliates | 0.1 | | | | 0.1 |
| Net Income Attributable to Non-controlling Interests | (1.5) | | | | (1.5) |
| **Net Income Available to IPG Common Stockholders** | **$ 159.4** | **$ (17.1)** | **$ (5.0)** | **$ (6.4)** | **$ 187.9** |
| **Weighted-Average Number of Common Shares Outstanding - Basic** | **394.5** | | | | **394.5** |
| Dilutive effect of stock options and restricted shares | 3.9 | | | | 3.9 |
| **Weighted-Average Number of Common Shares Outstanding - Diluted** | **398.4** | | | | **398.4** |
| **Earnings per Share Available to IPG Common Stockholders [5]:** | | | | | |
| Basic | $ 0.40 | $ (0.04) | $ (0.01) | $ (0.02) | $ 0.48 |
| Diluted | $ 0.40 | $ (0.04) | $ (0.01) | $ (0.02) | $ 0.47 |

(1) The table reconciles our reported results to our adjusted non-GAAP results. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.
(2) Restructuring charges of $6.6 in the first quarter of 2022 were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.
(3) Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 16.
(4) Consists of non-operating expenses including interest expense, interest income, and other expense, net.
(5) Earnings per share amounts calculated on an unrounded basis.

($ in Millions, except per share amounts)

# Reconciliation of Adjusted EBITA [1]

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **Net Revenue** | $ 2,227.2 | $ 2,027.7 |
| **Non-GAAP Reconciliation:** | | |
| **Net Income Available to IPG Common Stockholders** | $ 159.4 | $ 91.7 |
| **Add Back:** | | |
| Provision for Income Taxes | 49.1 | 23.8 |
| **Subtract:** | | |
| Total (Expenses) and Other Income [2] | (35.8) | (126.6) |
| Equity in Net Income (Loss) of Unconsolidated Affiliates | 0.1 | (0.2) |
| Net Income Attributable to Non-controlling Interests | (1.5) | (0.7) |
| **Operating Income** | $ 245.7 | $ 243.0 |
| **Add Back:** | | |
| Amortization of Acquired Intangibles | 21.3 | 21.6 |
| **Adjusted EBITA** | $ 267.0 | $ 264.6 |
| **Adjusted EBITA Margin on Net Revenue %** | 12.0 % | 13.0 % |
| Restructuring Charges [3] | 6.6 | 1.3 |
| **Adjusted EBITA before Restructuring Charges** | $ 273.6 | $ 265.9 |
| **Adjusted EBITA before Restructuring Charges Margin on Net Revenue %** | 12.3 % | 13.1 % |

(1) The table reconciles our reported results to our adjusted non-GAAP results. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.
(2) Includes a loss of $74.0 on early extinguishment of debt in the first quarter of 2021.
(3) Restructuring charges of $6.6 and $1.3 in the first quarter of 2022 and 2021, respectively, were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

($ in Millions)

# Adjusted EBITA before Restructuring Charges by Segment [1]

| | Media, Data & Engagement Solutions [2] | | Integrated Advertising & Creativity Led Solutions [3] | | Specialized Communications & Experiential Solutions [4] | | Corporate and Other [5] | | IPG Consolidated [1] | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Three Months Ended March 31, | | Three Months Ended March 31, | | Three Months Ended March 31, | | Three Months Ended March 31, | | Three Months Ended March 31, | |
| | 2022 | 2021 [6] | 2022 | 2021 [6] | 2022 | 2021 [6] | 2022 | 2021 [6] | 2022 | 2021 [6] |
| **Net Revenue** | **$ 932.1** | **$ 849.8** | **$ 958.8** | **$ 875.7** | **$ 336.3** | **$ 302.2** | | | **$ 2,227.2** | **$ 2,027.7** |
| Segment/Adjusted EBITA | $ 101.4 | $ 135.8 | $ 130.5 | $ 118.1 | $ 56.0 | $ 40.8 | $ (20.9) | $ (30.1) | $ 267.0 | $ 264.6 |
| Restructuring Charges | — | — | 6.1 | 0.4 | 0.4 | 0.9 | 0.1 | — | 6.6 | 1.3 |
| **Segment/Adjusted EBITA before Restructuring Charges** | **$ 101.4** | **$ 135.8** | **$ 136.6** | **$ 118.5** | **$ 56.4** | **$ 41.7** | **$ (20.8)** | **$ (30.1)** | **$ 273.6** | **$ 265.9** |
| *Margin (%) of net revenue* | *10.9 %* | *16.0 %* | *14.2 %* | *13.5 %* | *16.8 %* | *13.8 %* | | | *12.3 %* | *13.1 %* |

(1) Adjusted EBITA before restructuring charges is calculated as net income available to IPG common stockholders before provision for (benefit of) incomes taxes, total (expenses) and other income, equity in net income (loss) of unconsolidated affiliates, net income attributable to non-controlling interests, amortization of acquired intangibles and restructuring charges.
(2) Comprised of IPG Mediabrands, Acxiom, and Kinesso, as well as our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.
(3) Comprised of McCann Worldgroup, IPG Health, MullenLowe Group, FCB, and our domestic integrated agencies.
(4) Comprised of IPG DXTRA and DXTRA Health, Weber Shandwick, Golin, and our sports, entertainment and experiential agencies.
(5) 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.
(6) Results for the three months ended March 31, 2021 have been recast to reflect our new reportable segments.

($ in Millions)

# Reconciliation of Adjusted Results[1]

| | Three Months Ended March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges [2] | Net Losses on Sales of Businesses | Loss on Early Extinguishment of Debt [3] | Adjusted Results (Non-GAAP) |
| **Operating Income and Adjusted EBITA before Restructuring Charges [4]** | **$ 243.0** | **$ (21.6)** | **$ (1.3)** | | | **$ 265.9** |
| Total (Expenses) and Other Income [5] | (126.6) | | | $ (12.5) | $ (74.0) | (40.1) |
| **Income Before Income Taxes** | **116.4** | **(21.6)** | **(1.3)** | **(12.5)** | **(74.0)** | **225.8** |
| Provision for Income Taxes | 23.8 | 4.2 | 0.3 | 0.7 | 18.5 | 47.5 |
| *Effective Tax Rate* | *20.4 %* | | | | | *21.0 %* |
| Equity in Net Loss of Unconsolidated Affiliates | (0.2) | | | | | (0.2) |
| Net Income Attributable to Non-controlling Interests | (0.7) | | | | | (0.7) |
| **Net Income Available to IPG Common Stockholders** | **$ 91.7** | **$ (17.4)** | **$ (1.0)** | **$ (11.8)** | **$ (55.5)** | **$ 177.4** |
| | | | | | | |
| **Weighted-Average Number of Common Shares Outstanding - Basic** | **391.5** | | | | | **391.5** |
| Dilutive effect of stock options and restricted shares | 4.5 | | | | | 4.5 |
| **Weighted-Average Number of Common Shares Outstanding - Diluted** | **396.0** | | | | | **396.0** |
| | | | | | | |
| **Earnings per Share Available to IPG Common Stockholders [6]:** | | | | | | |
| Basic | $ 0.23 | $ (0.04) | $ 0.00 | $ (0.03) | $ (0.14) | $ 0.45 |
| Diluted | $ 0.23 | $ (0.04) | $ 0.00 | $ (0.03) | $ (0.14) | $ 0.45 |

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

(2) Restructuring charges of $1.3 in the first quarter of 2021 were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

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

(4) Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 16.

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

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

($ in Millions, except per share amounts)

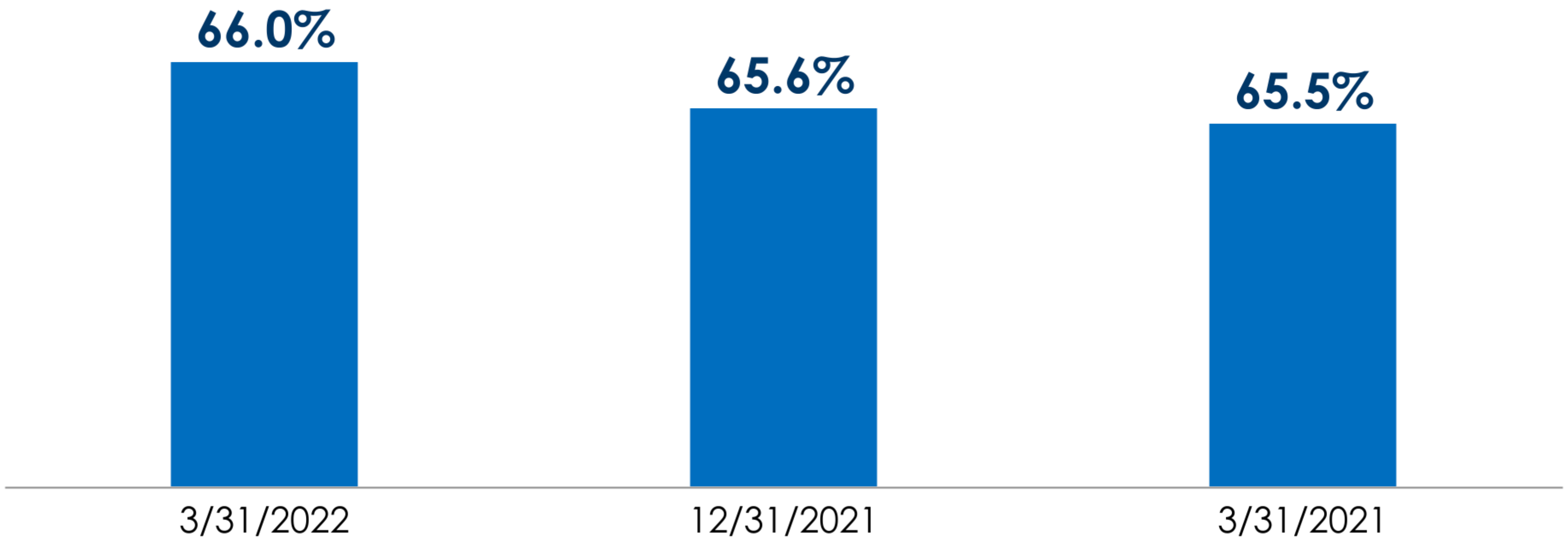
# Metrics Update

# Metrics Update

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

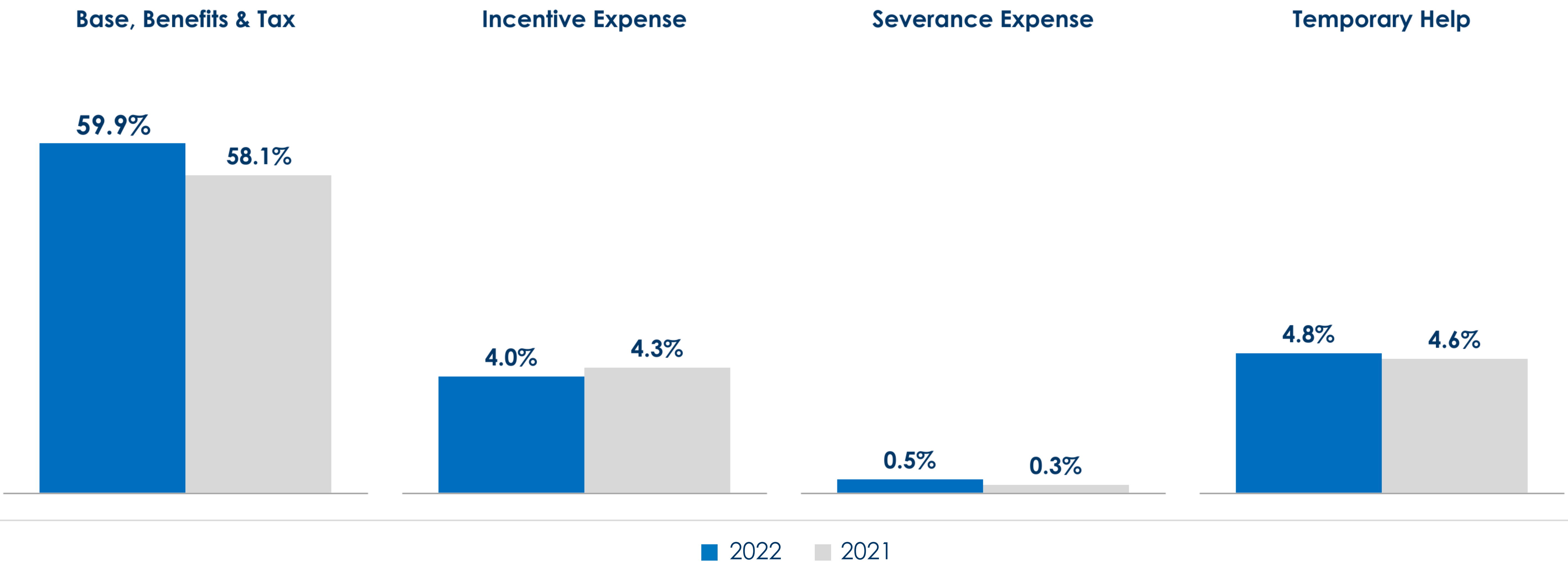
# Salaries & Related Expenses

## % of Net Revenue, Trailing Twelve Months



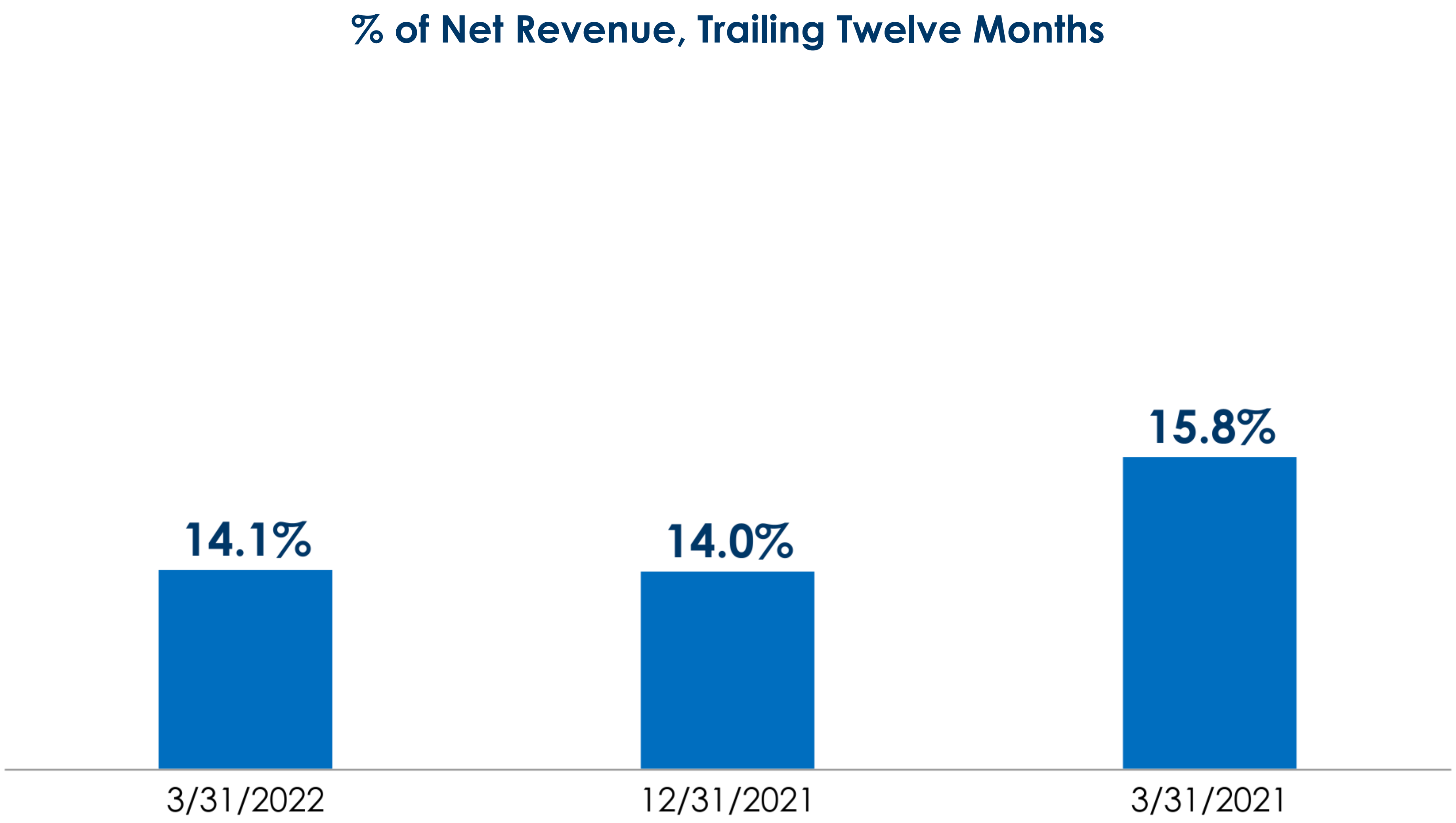
# Salaries & Related Expenses (% of Net Revenue)

Three Months Ended March 31



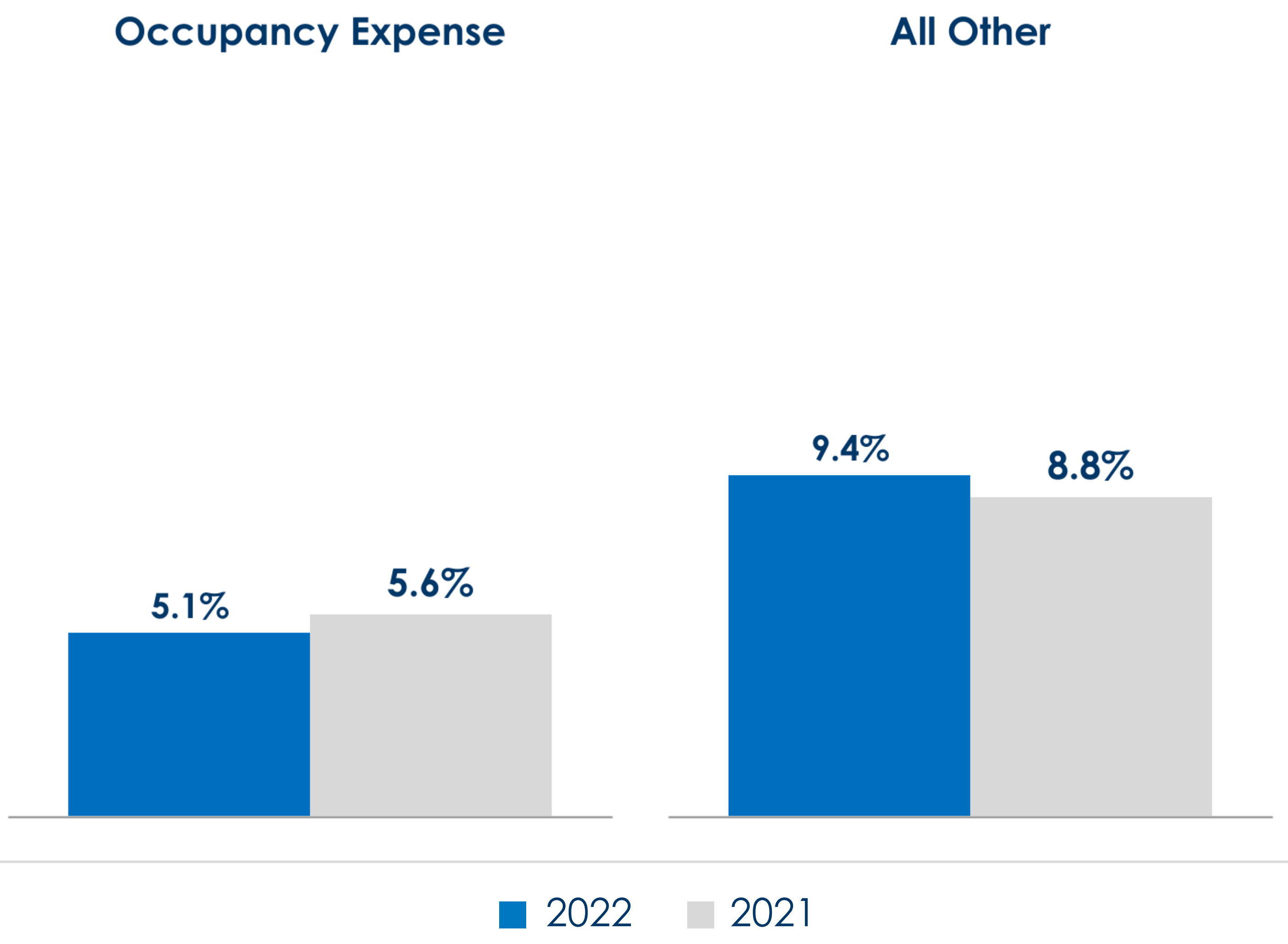

"All Other Salaries & Related," not shown, was 1.0% and 1.4% for the three months ended March 31, 2022 and 2021, respectively.

# Office & Other Direct Expenses



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

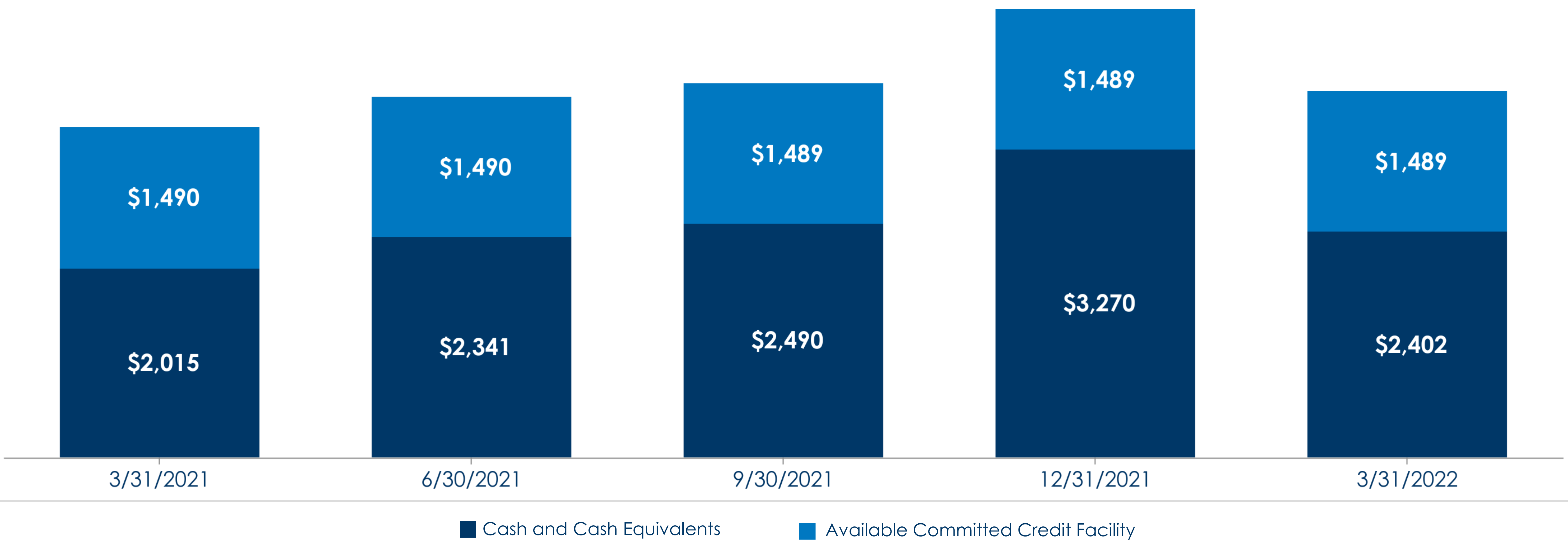
Three Months Ended March 31




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

# Available Liquidity

Cash, Cash Equivalents + Available Committed Credit Facilities




($ in Millions)

# Credit Facility Covenant[1]

| Financial Covenant | Four Quarters Ended March 31, 2022 |
|---|---|
| Leverage Ratio (not greater than) [2] | 3.50x |
| **Actual Leverage Ratio** | **1.65x** |

| CREDIT AGREEMENT EBITDA RECONCILIATION: | | Four Quarters Ended March 31, 2022 |
|---|---|---|
| Net Income Available to IPG Common Stockholders | $ | 1,020.5 |
| + Non-Operating Adjustments [3] | | 418.4 |
| Operating Income | $ | 1,438.9 |
| + Depreciation and Amortization | | 349.1 |
| + Other Non-cash Charges Reducing Operating Income | | 14.7 |
| **Credit Agreement EBITDA [2]:** | **$** | **1,802.7** |

(1) The leverage ratio financial covenant applies to our committed corporate credit facility, amended and restated as of November 1, 2021 ( the "Credit Agreement").
(2) 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.
(3) Includes adjustments of the following items from our consolidated statement of operations: provision for income taxes, total (expenses) and other income, equity in net income (loss) of unconsolidated affiliates, and net (income) loss attributable to non-controlling interests.

($ in Millions)

# Cautionary Statement

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

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

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

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