

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): July 21, 2023



THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

1-6686

(Commission File Number)

13-1024020

(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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On July 21, 2023, The Interpublic Group of Companies, Inc. (i) issued a press release, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein, announcing its results for the second quarter and first half of 2023, (ii) held a conference call to discuss the foregoing results and (iii) posted an investor presentation, a copy of which is attached hereto as Exhibit 99.2 and incorporated by reference herein, on its website in connection with the conference call.

Item 9.01. Financial Statements and Exhibits.

[Exhibit 99.1](#): Press release dated July 21, 2023 (furnished pursuant to Item 2.02)

[Exhibit 99.2](#): Investor presentation dated July 21, 2023 (furnished pursuant to Item 2.02)

Exhibit 104: Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document (included as 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 hereunto duly authorized.

Date: July 21, 2023

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Andrew Bonzani

Name: Andrew Bonzani

Title: Executive Vice President and General Counsel



FOR IMMEDIATE RELEASE

New York, NY (July 21, 2023)

Interpublic Announces Second Quarter and First Half 2023 Results

Second Quarter

- Total revenue, including billable expenses, was \$2.67 billion
- Revenue before billable expenses ("net revenue") was \$2.33 billion, a decrease of 2.0%, with organic decrease of 1.7%
- Reported net income was \$265.5 million
- Adjusted EBITA before restructuring charges was \$330.2 million
- Margin of adjusted EBITA before restructuring charges was 14.2% on revenue before billable expenses
- Diluted earnings per share was \$0.68 as reported and \$0.74 as adjusted
- Diluted EPS as reported and adjusted includes tax benefit of \$0.17 per share related to the conclusion of prior period routine Federal tax audits

Philippe Krakowsky, CEO of IPG:

"During the second quarter, we saw the same puts-and-takes on revenue that we have identified and discussed since the beginning of the year. Notably, among our client sectors, tech continued to weigh significantly on growth. In addition, modestly heightened macro uncertainty impacted certain of our specialty assets and traditional consumer agencies. Concurrently, we continued to deliver strong growth in areas of the business that have been important drivers of our success over several years, namely our media offerings and the healthcare sector. We also saw solid growth in disciplines such as public relations and our experiential offerings during the quarter. Taken together, these factors resulted in Q2 organic revenue performance that is inconsistent with our expectations and our long-term track record of strong growth. Despite this challenge, our operating discipline was evident in our ability to deliver a favorable margin result.

"Given our first six months, we are revising our full-year organic growth expectation to 1% to 2%, while remaining fully committed to our existing margin target for the year of 16.7%, which represents margin expansion relative to 2022. Our new business performance to date this year has been exceptionally strong, featuring wins in many of the industry's largest and most competitive reviews. These speak to the strength of our offerings, underpinned by our foundational data and technology infrastructure, and will provide strong tailwinds as we move into the back half of this year and even more so in 2024."

Summary

Interpublic Group 909 Third Avenue New York, NY 10022 212-704-1200 tel 212-704-1201 fax

Revenue

- Second quarter 2023: Total revenue, which includes billable expenses, was \$2.67 billion, compared \$2.74 billion in the second quarter of 2022. Revenue before billable expenses ("net revenue") was \$2.33 billion, a decrease of 2.0% from the second quarter of 2022. The organic decrease of net revenue was 1.7% from the second quarter of 2022, compared to an organic increase of 7.9% during the second quarter of 2022.
- First half 2023: Total revenue, which includes billable expenses, was \$5.19 billion, compared \$5.30 billion in the first half of 2022. Revenue before billable expenses ("net revenue") was \$4.51 billion, a decrease of 2.1% from the first half of 2022. The organic decrease of net revenue was 0.9% from the first half of 2022, compared to an organic increase of 9.6% during the first half of 2022.

Operating Results

- In the second quarter of 2023, operating income was \$310.7 million compared to \$349.1 million in 2022. Adjusted EBITA before restructuring charges was \$330.2 million compared to \$370.1 million for the same period in 2022. Second quarter 2023 margin of adjusted EBITA before restructuring charges was 14.2% on revenue before billable expenses.
- In the first half of 2023, operating income was \$499.0 million compared to \$594.8 million in 2022. Adjusted EBITA before restructuring charges was \$541.0 million, compared to \$643.7 million for the same period in 2022. First half of 2023 margin of adjusted EBITA before restructuring charges was 12.0% on revenue before billable expenses.
- Refer to reconciliations in the appendix within this press release for further detail.

Net Results

- In the second quarter of 2023, the income tax provision was \$10.6 million on income before income taxes of \$278.6 million. In the first half of 2023, the income tax provision was \$44.4 million on income before income taxes of \$444.6 million.
- The income tax provision in the second quarter and first half of 2023 includes a benefit of \$64.2 million, or \$0.17 per basic and diluted share, related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018, which is primarily non-cash.
- Second quarter 2023 net income available to IPG common stockholders was \$265.5 million, resulting in earnings of \$0.69 per basic share and \$0.68 per diluted share compared to earnings of \$0.58 per basic and diluted share for the same period in 2022. Adjusted earnings were \$0.74 per diluted share, including a benefit of \$0.17 per diluted share related to the tax audit settlement. Adjusted earnings per diluted share was \$0.63 a year ago. Second quarter 2023 adjusted earnings excludes after-tax amortization of acquired intangibles of \$17.0 million, after-tax restructuring credit of \$1.3 million and an after-tax loss of \$4.0 million on the sales of businesses.

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- First half 2023 net income available to IPG common stockholders was \$391.5 million, resulting in earnings of \$1.01 per basic share and diluted share compared to earnings of \$0.99 per basic and \$0.98 per diluted share for the same period in 2022. Adjusted earnings were \$1.11 per diluted share, including a benefit of \$0.17 per diluted share related to the tax audit settlement. Adjusted earnings per diluted share was \$1.10 a year ago. First half 2023 adjusted earnings excludes after-tax amortization of acquired intangibles of \$33.7 million and an after-tax loss of \$6.9 million on the sales of businesses.
- Refer to reconciliations in the appendix within this press release for further detail.

Operating Results

Revenue

Revenue before billable expenses of \$2.33 billion in the second quarter of 2023 decreased 2.0% compared with the same period in 2022. Compared to the second quarter of 2022, the effect of foreign currency translation was negative 1.0%, the impact of net acquisitions was positive 0.7%, and the resulting organic decrease of net revenue was 1.7%.

Revenue before billable expenses of \$4.51 billion in the first half of 2023 decreased 2.1% compared with the same period in 2022. Compared to the first half of 2022, the effect of foreign currency translation was negative 1.6%, the impact of net acquisitions was positive 0.4%, and the resulting organic decrease of net revenue was 0.9%.

Operating Expenses

In the second quarter of 2023, total operating expenses, excluding billable expenses, decreased 0.4%. In the first half of 2023, total operating expenses, excluding billable expenses, were approximately unchanged from a year ago.

In the second quarter of 2023, staff cost ratio, which is total salaries and related expenses as a percentage of revenue before billable expenses, increased to 68.7% compared to 66.9% for the same period in 2022. Total salaries and related expenses in the second quarter of 2023 were \$1.60 billion, an increase of 0.5% from a year ago. The increase was primarily due to an increase in base salaries, benefits and tax as well as an increase in severance expense, partially offset by a decrease in performance-based employee compensation expense and temporary help expense. In the first half of 2023, staff cost ratio increased to 70.5% compared to 68.5% for the same period in 2022. Total salaries and related expenses in the first half of 2023 were \$3.18 billion, an increase of 0.7% from a year ago. The increase was primarily driven by similar factors to those noted above for the second quarter of 2023.

In the second quarter of 2023, office and other direct expenses as a percentage of revenue before billable expenses decreased to 14.6% compared to 14.7% for the same period in 2022. Office and other direct expenses were \$340.5 million in the second quarter of 2023, a decrease of 2.7% from a year ago, primarily due to decreases in employment costs, occupancy expense, client service costs and professional consulting fees, partially offset by an increase in bad debt expense. In the first half of 2023, office and other direct expenses as a percentage of revenue before billable expenses increased to 14.9% compared to 14.6% for the same period in 2022. Office and other direct expenses were \$670.8 million in the first half of 2023, a decrease of 0.4% from a year ago, primarily due to decreases in employment costs, occupancy expense and client service costs, partially offset by increases in travel and entertainment expense.

Selling, general and administrative ("SG&A") expenses were \$13.9 million in the second quarter of 2023, a decrease of 28.4% from a year ago, primarily due to decreases in performance-based incentive compensation expense. Selling, general and administrative ("SG&A") expenses were \$26.8 million in the first half of 2023, a decrease of 30.7% from a year ago, primarily due to decreases in performance-based incentive compensation expense.

Depreciation and amortization expense decreased by 0.9% during the second quarter of 2023 and decreased by 1.4% during the first half of 2023.

Restructuring charges in the second quarter of 2023 were \$(1.7) million, consisting of adjustments to our 2022 and 2020 restructuring actions. Restructuring charges in the first half of 2023 were \$(0.1) million, consisting of adjustments to our 2022 and 2020 restructuring actions.

Non-Operating Results and Tax

Net interest expense decreased by \$2.1 million to \$27.7 million in the second quarter of 2023 from a year ago, primarily attributable to higher interest rates on net deposits, partially offset by lower net cash balances. Net interest expense decreased by \$16.1 million to \$43.3 million in the first half of 2023 from a year ago, primarily attributable to higher interest rates on net deposits, partially offset by lower net cash balances.

Other expense, net was \$4.4 million in the second quarter of 2023, and was \$11.1 million in the first half of 2023, which primarily consisted of losses related to dispositions of small, non-strategic agencies.

The income tax provision in the second quarter of 2023 was \$10.6 million on income before income taxes of \$278.6 million. This compares to an income tax provision of \$83.7 million for the second quarter of 2022 on income before income taxes of \$314.8 million. The income tax

provision in the first half of 2023 was \$44.4 million on income before income taxes of \$444.6 million. This compares to an income tax provision of \$132.8 million for the first half of 2022 on income before income taxes of \$524.7 million. The income tax provision in the second quarter and first half of 2023 includes benefit of \$64.2 million related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018, which is primarily non cash.

Balance Sheet

At June 30, 2023, cash and cash equivalents totaled \$1.63 billion, compared to \$2.55 billion at December 31, 2022 and \$1.98 billion on June 30, 2022. Total debt was \$3.20 billion at June 30, 2023, compared to \$2.92 billion at December 31, 2022.

Share Repurchase Program

During the first half of 2023, the Company repurchased 3.5 million shares of its common stock at an aggregate cost of \$128.0 million and an average price of \$36.40 per share, including fees.

Common Stock Dividend

During the second quarter of 2023, the Company declared and paid a common stock cash dividend of \$0.310 per share, for a total of \$119.4 million.

For further information regarding the Company's financial results as well as certain non-GAAP measures including organic revenue before billable expenses change, adjusted EBITA, adjusted EBITA before restructuring charges and adjusted earnings per diluted share, and the reconciliations thereof, please refer to the appendix within this press release and our Investor Presentation filed on Form 8-K herewith and available on our website, www.interpublic.com.

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About Interpublic

Interpublic (NYSE: IPG) (www.interpublic.com) is a values-based, data-fueled, and creatively-driven provider of marketing solutions. Home to some of the world's best-known and most innovative communications specialists, IPG global brands include Axiom, Craft, FCB, FutureBrand, Golin, Huge, Initiative, IPG Health, Jack Morton, Kinesso, MAGNA, Matterkind, McCann, Mediabrands, Mediahub, Momentum, MRM, MullenLowe Group, Octagon, R/GA, UM, Weber Shandwick and more. IPG is an S&P 500 company with total revenue of \$10.93 billion in 2022.

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Cautionary Statement

This release contains forward-looking statements. Statements in this report that are not historical facts, including statements regarding guidance, goals, intentions, and expectations as to future plans, trends, events, or future results of operations or financial position, constitute 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, and are subject to change based on a number of factors, including those outlined under item 1A, *Risk Factors*, in our most recent Annual Report on Form 10-K and our quarterly reports on Form 10-Q and our other filings with the Securities and Exchange Commission ("SEC"). Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

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

- the effects of a challenging economy on the demand for our advertising and marketing services, on our clients' financial condition and on our business or financial condition;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- the impacts of the COVID-19 pandemic, including potential developments like the emergence of more transmissible or virulent coronavirus variants, and associated mitigation measures, such as restrictions on businesses, social activities and travel, on the economy, our clients and demand for our services;
- 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;
- 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 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. 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.

APPENDIX

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
SECOND QUARTER REPORT 2023 AND 2022
(Amounts in Millions except Per Share Data)
(UNAUDITED)

| | Three Months Ended June 30, | | |
|---|-----------------------------|-----------------|-----------------------------|
| | 2023 | 2022 | Fav. (Unfav.) % Variance |
| Revenue: | | | |
| Revenue before Billable Expenses | \$ 2,328.5 | \$ 2,375.5 | (2.0)% |
| Billable Expenses | 338.0 | 360.2 | (6.2)% |
| Total Revenue | <u>2,666.5</u> | <u>2,735.7</u> | <u>(2.5)%</u> |
| Operating Expenses: | | | |
| Salaries and Related Expenses | 1,598.6 | 1,590.2 | (0.5)% |
| Office and Other Direct Expenses | 340.5 | 349.8 | 2.7 % |
| Billable Expenses | 338.0 | 360.2 | 6.2 % |
| Cost of Services | <u>2,277.1</u> | <u>2,300.2</u> | <u>1.0 %</u> |
| Selling, General and Administrative Expenses | 13.9 | 19.4 | 28.4 % |
| Depreciation and Amortization | 66.5 | 67.1 | 0.9 % |
| Restructuring Charges | <u>(1.7)</u> | <u>(0.1)</u> | <u>>100%</u> |
| Total Operating Expenses | <u>2,355.8</u> | <u>2,386.6</u> | <u>1.3 %</u> |
| Operating Income | <u>310.7</u> | <u>349.1</u> | <u>(11.0)%</u> |
| Expenses and Other Income: | | | |
| Interest Expense | (63.2) | (41.0) | |
| Interest Income | 35.5 | 11.2 | |
| Other Expense, Net | <u>(4.4)</u> | <u>(4.5)</u> | |
| Total (Expenses) and Other Income | <u>(32.1)</u> | <u>(34.3)</u> | |
| Income Before Income Taxes | 278.6 | 314.8 | |
| Provision for Income Taxes | <u>10.6</u> | <u>83.7</u> | |
| Income of Consolidated Companies | 268.0 | 231.1 | |
| Equity in Net Income of Unconsolidated Affiliates | <u>0.7</u> | <u>0.7</u> | |
| Net Income | 268.7 | 231.8 | |
| Net Income Attributable to Non-controlling Interests | <u>(3.2)</u> | <u>(2.2)</u> | |
| Net Income Available to IPG Common Stockholders | <u>\$ 265.5</u> | <u>\$ 229.6</u> | |
| Earnings Per Share Available to IPG Common Stockholders: | | | |
| Basic | \$ 0.69 | \$ 0.58 | |
| Diluted | \$ 0.68 | \$ 0.58 | |
| Weighted-Average Number of Common Shares Outstanding: | | | |
| Basic | 385.7 | 393.1 | |
| Diluted | 387.7 | 396.8 | |
| Dividends Declared Per Common Share | \$ 0.310 | \$ 0.290 | |

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
SECOND QUARTER REPORT 2023 AND 2022
(Amounts in Millions except Per Share Data)
(UNAUDITED)

| | Six Months Ended June 30, | | Fav. (Unfav.) % Variance |
|---|---------------------------|----------|-----------------------------|
| | 2023 | 2022 | |
| Revenue: | | | |
| Revenue before Billable Expenses | 4,505.4 | 4,602.7 | (2.1)% |
| Billable Expenses | 682.1 | 701.5 | (2.8)% |
| Total Revenue | 5,187.5 | 5,304.2 | (2.2)% |
| Operating Expenses: | | | |
| Salaries and Related Expenses | 3,175.9 | 3,154.6 | (0.7)% |
| Office and Other Direct Expenses | 670.8 | 673.2 | 0.4 % |
| Billable Expenses | 682.1 | 701.5 | 2.8 % |
| Cost of Services | 4,528.8 | 4,529.3 | 0.0 % |
| Selling, General and Administrative Expenses | 26.8 | 38.7 | 30.7 % |
| Depreciation and Amortization | 133.0 | 134.9 | 1.4 % |
| Restructuring Charges | (0.1) | 6.5 | >100% |
| Total Operating Expenses | 4,688.5 | 4,709.4 | 0.4 % |
| Operating Income | 499.0 | 594.8 | (16.1)% |
| Expenses and Other Income: | | | |
| Interest Expense | (119.0) | (80.4) | |
| Interest Income | 75.7 | 21.0 | |
| Other Expense, Net | (11.1) | (10.7) | |
| Total (Expenses) and Other Income | (54.4) | (70.1) | |
| Income Before Income Taxes | 444.6 | 524.7 | |
| Provision for Income Taxes | 44.4 | 132.8 | |
| Income of Consolidated Companies | 400.2 | 391.9 | |
| Equity in Net Income of Unconsolidated Affiliates | 0.6 | 0.8 | |
| Net Income | 400.8 | 392.7 | |
| Net Income Attributable to Non-controlling Interests | (9.3) | (3.7) | |
| Net Income Available to IPG Common Stockholders | \$ 391.5 | \$ 389.0 | |
| Earnings Per Share Available to IPG Common Stockholders: | | | |
| Basic | \$ 1.01 | \$ 0.99 | |
| Diluted | \$ 1.01 | \$ 0.98 | |
| Weighted-Average Number of Common Shares Outstanding: | | | |
| Basic | 385.8 | 393.8 | |
| Diluted | 387.6 | 397.5 | |
| Dividends Declared Per Common Share | \$ 0.620 | \$ 0.580 | |

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
U.S. GAAP RECONCILIATION OF NON-GAAP ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

| | Three Months Ended June 30, 2023 | | | | |
|---|----------------------------------|--------------------------------------|-----------------------|--|-----------------------------|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges | Net Losses on Sales of Businesses ¹ | Adjusted Results (Non-GAAP) |
| Operating Income and Adjusted EBITA before Restructuring Charges² | \$ 310.7 | \$ (21.2) | \$ 1.7 | | \$ 330.2 |
| Total (Expenses) and Other Income ³ | (32.1) | | | \$ (4.1) | (28.0) |
| Income Before Income Taxes | 278.6 | (21.2) | 1.7 | (4.1) | 302.2 |
| Provision for Income Taxes | 10.6 | 4.2 | (0.4) | 0.1 | 14.5 |
| Equity in Net Income of Unconsolidated Affiliates | 0.7 | | | | 0.7 |
| Net Income Attributable to Non-controlling Interests | (3.2) | | | | (3.2) |
| Net Income Available to IPG Common Stockholders | \$ 265.5 | \$ (17.0) | \$ 1.3 | \$ (4.0) | \$ 285.2 |
| Weighted-Average Number of Common Shares Outstanding - Basic | 385.7 | | | | 385.7 |
| Dilutive effect of stock options and restricted shares | 2.0 | | | | 2.0 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | 387.7 | | | | 387.7 |
| Earnings per Share Available to IPG Common Stockholders^{4,5}: | | | | | |
| Basic | \$ 0.69 | \$ (0.04) | \$ 0.00 | \$ (0.01) | \$ 0.74 |
| Diluted | \$ 0.68 | \$ (0.04) | \$ 0.00 | \$ (0.01) | \$ 0.74 |

¹ Primarily relates to losses on complete dispositions 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.

² Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page A5 in the appendix.

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.

⁵ Basic and diluted earnings per share, both As Reported and Adjusted Results (Non-GAAP), includes a positive impact of \$0.17 related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018.

Note: 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.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
U.S. GAAP RECONCILIATION OF NON-GAAP ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

| | Six Months Ended June 30, 2023 | | | | |
|---|--------------------------------|--------------------------------------|-----------------------|--|-----------------------------|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges | Net Losses on Sales of Businesses ¹ | Adjusted Results (Non-GAAP) |
| Operating Income and Adjusted EBITA before Restructuring Charges² | \$ 499.0 | \$ (42.1) | \$ 0.1 | | \$ 541.0 |
| Total (Expenses) and Other Income ³ | (54.4) | | | \$ (8.3) | (46.1) |
| Income Before Income Taxes | 444.6 | (42.1) | 0.1 | (8.3) | 494.9 |
| Provision for Income Taxes | 44.4 | 8.4 | (0.1) | 1.4 | 54.1 |
| Equity in Net Income of Unconsolidated Affiliates | 0.6 | | | | 0.6 |
| Net Income Attributable to Non-controlling Interests | (9.3) | | | | (9.3) |
| Net Income Available to IPG Common Stockholders | \$ 391.5 | \$ (33.7) | \$ 0.0 | \$ (6.9) | \$ 432.1 |
| Weighted-Average Number of Common Shares Outstanding - Basic | 385.8 | | | | 385.8 |
| Dilutive effect of stock options and restricted shares | 1.8 | | | | 1.8 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | 387.6 | | | | 387.6 |
| Earnings per Share Available to IPG Common Stockholders^{4,5}: | | | | | |
| Basic | \$ 1.01 | \$ (0.09) | \$ 0.00 | \$ (0.02) | \$ 1.12 |
| Diluted | \$ 1.01 | \$ (0.09) | \$ 0.00 | \$ (0.02) | \$ 1.11 |

¹ Primarily relates to losses on complete dispositions 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.

² Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page A5 in the appendix.

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.

⁵ Basic and diluted earnings per share, both As Reported and Adjusted Results (Non-GAAP), includes a positive impact of \$0.17 related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018.

Note: 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.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
U.S. GAAP RECONCILIATION OF NON-GAAP ADJUSTED RESULTS
(Amounts in Millions)
(UNAUDITED)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|-----------------|---------------------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue Before Billable Expenses | \$ 2,328.5 | \$ 2,375.5 | \$ 4,505.4 | \$ 4,602.7 |
| Non-GAAP Reconciliation: | | | | |
| Net Income Available to IPG Common Stockholders | \$ 265.5 | \$ 229.6 | \$ 391.5 | \$ 389.0 |
| Add Back: | | | | |
| Provision for Income Taxes | 10.6 | 83.7 | 44.4 | 132.8 |
| Subtract: | | | | |
| Total (Expenses) and Other Income | (32.1) | (34.3) | (54.4) | (70.1) |
| Equity in Net Income of Unconsolidated Affiliates | 0.7 | 0.7 | 0.6 | 0.8 |
| Net Income Attributable to Non-controlling Interests | (3.2) | (2.2) | (9.3) | (3.7) |
| Operating Income | 310.7 | 349.1 | 499.0 | 594.8 |
| Add Back: | | | | |
| Amortization of Acquired Intangibles | 21.2 | 21.1 | 42.1 | 42.4 |
| Adjusted EBITA | \$ 331.9 | \$ 370.2 | \$ 541.1 | \$ 637.2 |
| <i>Adjusted EBITA Margin on Revenue before Billable Expenses %</i> | <i>14.3 %</i> | <i>15.6 %</i> | <i>12.0 %</i> | <i>13.8 %</i> |
| Restructuring Charges ¹ | (1.7) | (0.1) | (0.1) | 6.5 |
| Adjusted EBITA before Restructuring Charges | \$ 330.2 | \$ 370.1 | \$ 541.0 | \$ 643.7 |
| <i>Adjusted EBITA before Restructuring Charges Margin on Revenue before Billable Expenses %</i> | <i>14.2 %</i> | <i>15.6 %</i> | <i>12.0 %</i> | <i>14.0 %</i> |

¹ Net restructuring charges were \$(1.7) million for the second quarter of 2023 and \$(0.1) million for the six months ended June 30, 2023, which represent adjustments to our 2022 and 2020 restructuring actions. Net restructuring charges of \$(0.1) million for the second quarter of 2022 and \$6.5 million for the six months ended June 30, 2022, which represent adjustments to our restructuring actions taken in 2020.

Note: 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.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
U.S. GAAP RECONCILIATION OF NON-GAAP ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

| | Three Months Ended June 30, 2022 | | | | |
|---|----------------------------------|--------------------------------------|------------------------------------|--|-----------------------------|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges ¹ | Net Losses on Business Dispositions ² | Adjusted Results (Non-GAAP) |
| Operating Income and Adjusted EBITA before Restructuring Charges³ | \$ 349.1 | \$ (21.1) | \$ 0.1 | | \$ 370.1 |
| Total (Expenses) and Other Income ⁴ | (34.3) | | | \$ (4.2) | (30.1) |
| Income Before Income Taxes | 314.8 | (21.1) | 0.1 | (4.2) | 340.0 |
| Provision for Income Taxes | 83.7 | 4.3 | 0.0 | 0.0 | 88.0 |
| Equity in Net Income of Unconsolidated Affiliates | 0.7 | | | | 0.7 |
| Net Income Attributable to Non-controlling Interests | (2.2) | | | | (2.2) |
| Net Income Available to IPG Common Stockholders | \$ 229.6 | \$ (16.8) | \$ 0.1 | \$ (4.2) | \$ 250.5 |
| Weighted-Average Number of Common Shares Outstanding - Basic | 393.1 | | | | 393.1 |
| Dilutive effect of stock options and restricted shares | 3.7 | | | | 3.7 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | 396.8 | | | | 396.8 |
| Earnings per Share Available to IPG Common Stockholders⁵: | | | | | |
| Basic | \$ 0.58 | \$ (0.04) | \$ 0.00 | \$ (0.01) | \$ 0.64 |
| Diluted | \$ 0.58 | \$ (0.04) | \$ 0.00 | \$ (0.01) | \$ 0.63 |

¹ Restructuring charges of \$(0.1) in the second quarter of 2022 were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

² Primarily includes a non-cash loss in the second quarter of 2022 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest, as well as losses on complete dispositions of businesses and the classification of certain assets as held for sale.

³ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page A5 in the appendix.

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.

Note: 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.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
U.S. GAAP RECONCILIATION OF NON-GAAP ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

| | Six Months Ended June 30, 2022 | | | | |
|---|--------------------------------|--------------------------------------|------------------------------------|--|-----------------------------|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges ¹ | Net Losses on Business Dispositions ² | Adjusted Results (Non-GAAP) |
| Operating Income and Adjusted EBITA before Restructuring Charges³ | \$ 594.8 | \$ (42.4) | \$ (6.5) | | \$ 643.7 |
| Total (Expenses) and Other Income ⁴ | (70.1) | | | \$ (10.6) | (59.5) |
| Income Before Income Taxes | 524.7 | (42.4) | (6.5) | (10.6) | 584.2 |
| Provision for Income Taxes | 132.8 | 8.5 | 1.6 | 0.0 | 142.9 |
| Equity in Net Income of Unconsolidated Affiliates | 0.8 | | | | 0.8 |
| Net Income Attributable to Non-controlling Interests | (3.7) | | | | (3.7) |
| Net Income Available to IPG Common Stockholders | \$ 389.0 | \$ (33.9) | \$ (4.9) | \$ (10.6) | \$ 438.4 |
| Weighted-Average Number of Common Shares Outstanding - Basic | 393.8 | | | | 393.8 |
| Dilutive effect of stock options and restricted shares | 3.7 | | | | 3.7 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | 397.5 | | | | 397.5 |
| Earnings per Share Available to IPG Common Stockholders⁵: | | | | | |
| Basic | \$ 0.99 | \$ (0.09) | \$ (0.01) | \$ (0.03) | \$ 1.11 |
| Diluted | \$ 0.98 | \$ (0.09) | \$ (0.01) | \$ (0.03) | \$ 1.10 |

¹ Restructuring charges of \$6.5 in the first half of 2022 were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

² Includes losses on complete dispositions of businesses and the classification of certain assets as held for sale, as well as a non-cash loss in the second quarter of 2022 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest.

³ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page A5 in the appendix.

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.

Note: 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.



SECOND QUARTER 2023
EARNINGS CONFERENCE CALL

Interpublic Group
July 21, 2023

Overview — Second Quarter 2023

- Total revenue including billable expenses was \$2.7 billion
 - Organic change of revenue before billable expenses ("net revenue") was -1.7%
 - US organic change was -2.5%
 - International organic change was -0.1%
- Net income as reported was \$265.5 million
- Adjusted EBITA before restructuring charges was \$330.2 million, with 14.2% margin on revenue before billable expenses
- Diluted EPS was \$0.68 as reported and \$0.74 as adjusted (which includes a benefit of \$0.17 per diluted share related to the settlement of prior period US Federal Income Tax Audits)
- Repurchased 1.3 million shares returning \$50.2 million to shareholders

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 Change of Net Revenue on pages 19-20 and adjusted results on pages 21-22 and 26-27.

Operating Performance

| | Three Months Ended June 30, | |
|---|-----------------------------|-----------------|
| | 2023 | 2022 |
| Revenue Before Billable Expenses | \$ 2,328.5 | \$ 2,375.5 |
| Billable Expenses | 338.0 | 360.2 |
| Total Revenue | 2,666.5 | 2,735.7 |
| Salaries and Related Expenses | 1,598.6 | 1,590.2 |
| Office and Other Direct Expenses | 340.5 | 349.8 |
| Billable Expenses | 338.0 | 360.2 |
| Cost of Services | 2,277.1 | 2,300.2 |
| Selling, General and Administrative Expenses | 13.9 | 19.4 |
| Depreciation and Amortization | 66.5 | 67.1 |
| Restructuring Charges | (1.7) | (0.1) |
| Total Operating Expenses | 2,355.8 | 2,386.6 |
| Operating Income | 310.7 | 349.1 |
| Interest Expense, Net | (27.7) | (29.8) |
| Other Expense, Net | (4.4) | (4.5) |
| Income Before Income Taxes | 278.6 | 314.8 |
| Provision for Income Taxes ⁽¹⁾ | 10.6 | 83.7 |
| Equity in Net Income of Unconsolidated Affiliates | 0.7 | 0.7 |
| Net Income | 268.7 | 231.8 |
| Net Income Attributable to Non-controlling Interests | (3.2) | (2.2) |
| Net Income Available to IPG Common Stockholders | \$ 265.5 | \$ 229.6 |
| Earnings per Share Available to IPG Common Stockholders - Basic | \$ 0.69 | \$ 0.58 |
| Earnings per Share Available to IPG Common Stockholders - Diluted | \$ 0.68 | \$ 0.58 |
| Weighted-Average Number of Common Shares Outstanding - Basic | 385.7 | 393.1 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | 387.7 | 396.8 |
| Dividends Declared per Common Share | \$ 0.310 | \$ 0.290 |

⁽¹⁾ The provision for income taxes for the three months ended June 30, 2023 includes a benefit of \$64.2 related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018, which is primarily non-cash.
(\$ in Millions, except per share amounts)

Revenue Before Billable Expenses⁽¹⁾

| | Three Months Ended | | Six Months Ended | |
|---------------------------------|--------------------|---------------|-------------------|---------------|
| | \$ | % Change | \$ | % Change |
| June 30, 2022 | \$ 2,375.5 | | \$ 4,602.7 | |
| Foreign currency | (24.4) | (1.0%) | (75.7) | (1.6%) |
| Net acquisitions/(divestitures) | 16.6 | 0.7% | 21.7 | 0.4% |
| Organic | (39.2) | (1.7%) | (43.3) | (0.9%) |
| Total change | (47.0) | (2.0%) | (97.3) | (2.1%) |
| June 30, 2023 | \$ 2,328.5 | | \$ 4,505.4 | |

| | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|--|-----------------------------|---------------------|---------|--------|---------------------------|---------------------|---------|--------|
| | 2023 | 2022 ⁽²⁾ | Change | | 2023 | 2022 ⁽²⁾ | Change | |
| | | | Organic | Total | | | Organic | Total |
| Media, Data & Engagement Solutions | \$ 1,055.5 | \$ 1,065.3 | (1.5%) | (0.9%) | \$ 2,016.3 | \$ 2,039.0 | (1.1%) | (1.1%) |
| IPG Mediabrands, Acxiom, and our digital and commerce specialist agencies, which include MRM, R/GA, and Huge | | | | | | | | |
| Integrated Advertising & Creativity Led Solutions | \$ 913.7 | \$ 961.8 | (3.8%) | (5.0%) | \$ 1,789.3 | \$ 1,878.7 | (2.4%) | (4.8%) |
| McCann Worldgroup, IPG Health, MullenLowe Group, FCB, and our domestic integrated agencies | | | | | | | | |
| Specialized Communications & Experiential Solutions | \$ 359.3 | \$ 348.4 | 3.7% | 3.1% | \$ 699.8 | \$ 685.0 | 3.5% | 2.2% |
| Weber Shandwick, Golin, our sports, entertainment and experiential agencies, and DXTRA Health | | | | | | | | |

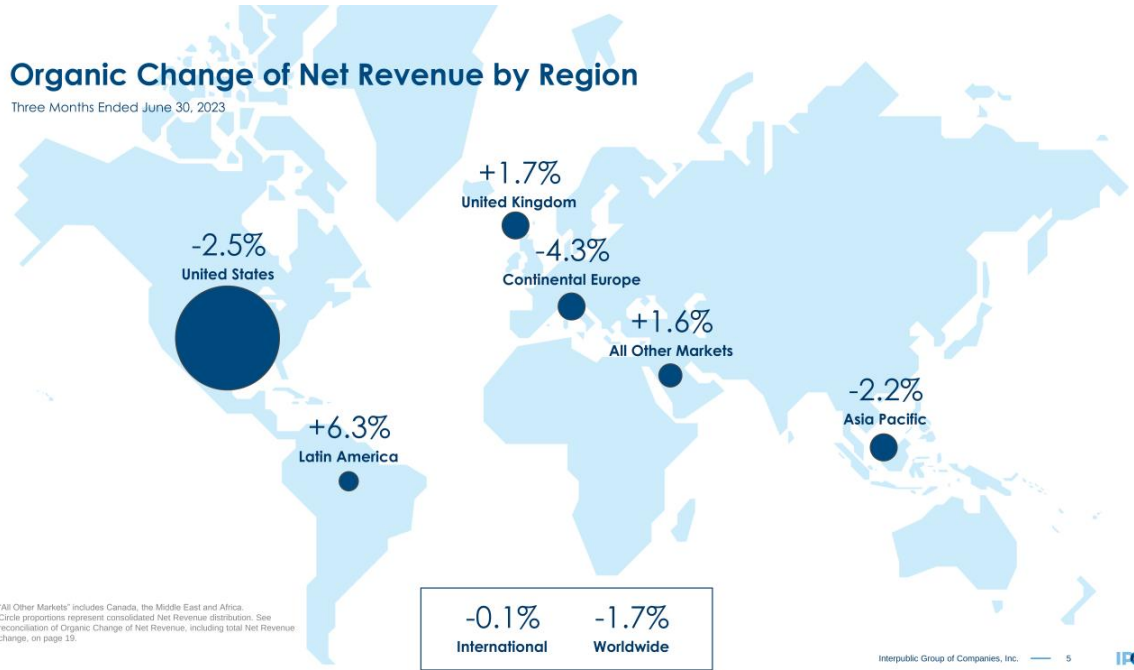
⁽¹⁾ "Net Revenue"

⁽²⁾ Results for the three and six months ended June 30, 2022 have been recast to reflect the transfer of certain agencies between reportable segments. See reconciliation of Organic Change of Net Revenue change on pages 19-20.

Note: Revenue Before Billable Expenses was previously referred to as Net Revenue.
(\$ in Millions)

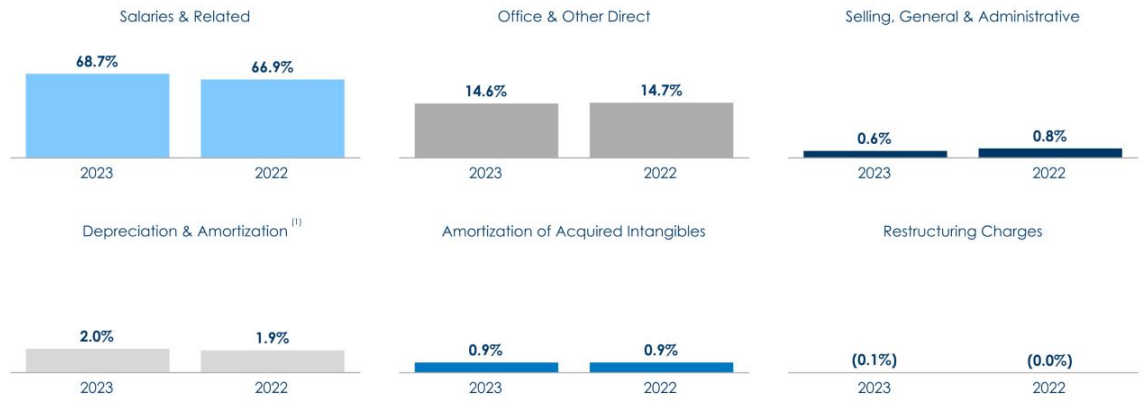
Organic Change of Net Revenue by Region

Three Months Ended June 30, 2023



Operating Expenses % of Revenue Before Billable Expenses

Three Months Ended June 30



⁽¹⁾ Excludes amortization of acquired intangibles.

Adjusted Diluted Earnings Per Share

| | Three Months Ended June 30, 2023 | | | | |
|--|----------------------------------|--------------------------------------|--------------------------------------|--|-----------------------------|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges ⁽¹⁾ | Net Losses on Sales of Businesses ⁽²⁾ | Adjusted Results (Non-GAAP) |
| Operating Income and Adjusted EBITA before Restructuring Charges ⁽³⁾ | \$ 310.7 | \$ (21.2) | \$ 1.7 | | \$ 330.2 |
| Total (Expenses) and Other Income ⁽⁴⁾ | (32.1) | | | \$ (4.1) | (28.0) |
| Income Before Income Taxes | 278.6 | (21.2) | 1.7 | (4.1) | 302.2 |
| Provision for Income Taxes | 10.6 | 4.2 | (0.4) | 0.1 | 14.5 |
| Effective Tax Rate | 3.8 % | | | | 4.8 % |
| Equity in Net Income of Unconsolidated Affiliates | 0.7 | | | | 0.7 |
| Net Income Attributable to Non-controlling Interests | (3.2) | | | | (3.2) |
| DILUTED EPS COMPONENTS: | | | | | |
| Net Income Available to IPG Common Stockholders | \$ 265.5 | \$ (17.0) | \$ 1.3 | \$ (4.0) | \$ 285.2 |
| Weighted-Average Number of Common Shares Outstanding | 387.7 | | | | 387.7 |
| Earnings per Share Available to IPG Common Stockholders ⁽⁵⁾⁽⁶⁾ | \$ 0.68 | \$ (0.04) | \$ 0.00 | \$ (0.01) | \$ 0.74 |

⁽¹⁾ Restructuring charges of \$(1.7) in the second quarter of 2023 represent adjustments to our restructuring actions taken in Q4 2022, as well as adjustments to the actions taken in 2020.

⁽²⁾ Primarily relates to losses on complete dispositions 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.

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

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

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

⁽⁶⁾ Basic and diluted earnings per share, both As Reported and Adjusted Results (Non-GAAP), include a positive impact of \$0.17 related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018.

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

(\$ in Millions, except per share amounts)

Adjusted Diluted Earnings Per Share

Six Months Ended June 30, 2023

| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges ⁽¹⁾ | Net Losses on Sales of Businesses ⁽²⁾ | Adjusted Results (Non-GAAP) |
|--|--------------|--------------------------------------|--------------------------------------|--|-----------------------------|
| Operating Income and Adjusted EBITA before Restructuring Charges ⁽³⁾ | \$ 499.0 | \$ (42.1) | \$ 0.1 | | \$ 541.0 |
| Total (Expenses) and Other Income ⁽⁴⁾ | (54.4) | | | \$ (8.3) | (46.1) |
| Income Before Income Taxes | 444.6 | (42.1) | 0.1 | (8.3) | 494.9 |
| Provision for Income Taxes | 44.4 | 8.4 | (0.1) | 1.4 | 54.1 |
| Effective Tax Rate | 10.0 % | | | | 10.9 % |
| Equity in Net Income of Unconsolidated Affiliates | 0.6 | | | | 0.6 |
| Net Income Attributable to Non-controlling Interests | (9.3) | | | | (9.3) |
| DILUTED EPS COMPONENTS: | | | | | |
| Net Income Available to IPG Common Stockholders | \$ 391.5 | \$ (33.7) | \$ 0.0 | \$ (6.9) | \$ 432.1 |
| Weighted-Average Number of Common Shares Outstanding | 387.6 | | | | 387.6 |
| Earnings per Share Available to IPG Common Stockholders ⁽⁵⁾⁽⁶⁾ | \$ 1.01 | \$ (0.09) | \$ 0.00 | \$ (0.02) | \$ 1.11 |

⁽¹⁾ Restructuring charges of \$(0.1) in the first half of 2023 represent adjustments to our restructuring actions taken in Q4 2022, as well as adjustments to the actions taken in 2020.

⁽²⁾ Primarily relates to losses on complete dispositions 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.

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

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

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

⁽⁶⁾ Basic and diluted earnings per share, both As Reported and Adjusted Results (Non-GAAP), include a positive impact of \$0.17 related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018.

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

(\$ in Millions, except per share amounts)

Cash Flow

| | | Three Months Ended June 30, | |
|------------------------------|---|-----------------------------|-------------------|
| | | 2023 | 2022 |
| Net Income | | \$ 268.7 | \$ 231.8 |
| OPERATING ACTIVITIES: | | | |
| | Deferred taxes | (43.2) | (14.2) |
| | Net losses on sales of businesses | 2.6 | 0.7 |
| | Other non-cash items | 7.5 | 1.0 |
| | Depreciation & amortization | 80.0 | 80.6 |
| | Change in working capital, net | (281.2) | (382.1) |
| | Change in other non-current assets & liabilities | (69.6) | (8.6) |
| | Net cash used in Operating Activities | (35.2) | (90.8) |
| INVESTING ACTIVITIES: | | | |
| | Purchase of short-term marketable securities | (97.5) | — |
| | Capital expenditures | (46.4) | (41.6) |
| | Acquisitions, net of cash acquired | (2.3) | — |
| | Decconsolidation of a subsidiary | — | (20.4) |
| | Net proceeds from investments | 21.7 | — |
| | Other investing activities | 3.5 | 1.0 |
| | Net cash used in Investing Activities | (121.0) | (61.0) |
| FINANCING ACTIVITIES: | | | |
| | Proceeds from long-term debt | 296.3 | — |
| | Net increase (decrease) in short-term borrowings | 1.0 | (26.0) |
| | Tax payments for employee shares withheld | (0.7) | (1.3) |
| | Distributions to noncontrolling interests | (5.4) | (2.1) |
| | Acquisition-related payments | (9.0) | (4.9) |
| | Repurchases of common stock | (50.2) | (84.8) |
| | Common stock dividends | (119.4) | (113.8) |
| | Other financing activities | (2.8) | (0.1) |
| | Net cash provided by (used in) Financing Activities | 109.8 | (233.0) |
| | Currency effect | (4.0) | (33.8) |
| | Net decrease in cash, cash equivalents and restricted cash | \$ (50.4) | \$ (418.6) |

(\$ in Millions)

Interpublic Group of Companies, Inc. 9



Balance Sheet — Current Portion

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|--|-------------------|--------------------|-------------------|
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | \$ 1,628.1 | \$ 2,545.3 | \$ 1,983.4 |
| Accounts receivable, net | 4,170.0 | 5,316.0 | 4,014.9 |
| Accounts receivable, billable to clients | 2,215.9 | 2,023.0 | 2,233.0 |
| Marketable securities | 102.8 | 1.1 | 0.8 |
| Prepaid expenses | 456.9 | 354.1 | 454.8 |
| Assets held for sale | 6.0 | 5.9 | 17.7 |
| Other current assets | 61.3 | 79.8 | 56.2 |
| Total current assets | \$ 8,641.0 | \$ 10,325.2 | \$ 8,760.8 |
| CURRENT LIABILITIES: | | | |
| Accounts payable | \$ 6,573.2 | \$ 8,235.3 | \$ 6,861.3 |
| Accrued liabilities | 562.3 | 787.1 | 623.5 |
| Contract liabilities | 690.5 | 680.0 | 664.4 |
| Short-term borrowings | 30.2 | 44.3 | 45.7 |
| Current portion of long-term debt | 250.3 | 0.6 | 0.6 |
| Current portion of operating leases | 243.5 | 235.9 | 255.0 |
| Liabilities held for sale | 5.3 | — | 12.2 |
| Total current liabilities | \$ 8,355.3 | \$ 9,983.2 | \$ 8,462.7 |

(\$ in Millions)

Interpublic Group of Companies, Inc. 10



Debt Maturity Schedule

Total Debt = \$3.2 billion



⁽¹⁾ Senior Notes due on April 15, 2024.
⁽²⁾ On June 9, 2023, we issued a total of \$300 in aggregate principal amount 5.375% unsecured senior notes due June 15, 2033.
 (\$ in Millions)

Summary

- Focus on driving growth and building on our long-term industry-leading foundation
 - Strong agency brands
 - Exceptional talent
 - Data capabilities at scale
 - Creative and innovative marketing solutions
 - Seamless delivery of "open architecture" solutions
- Effective expense management is an ongoing priority
- Flexible business model is positioned to address uncertainty
- Financial strength is a continued source of value creation



Appendix

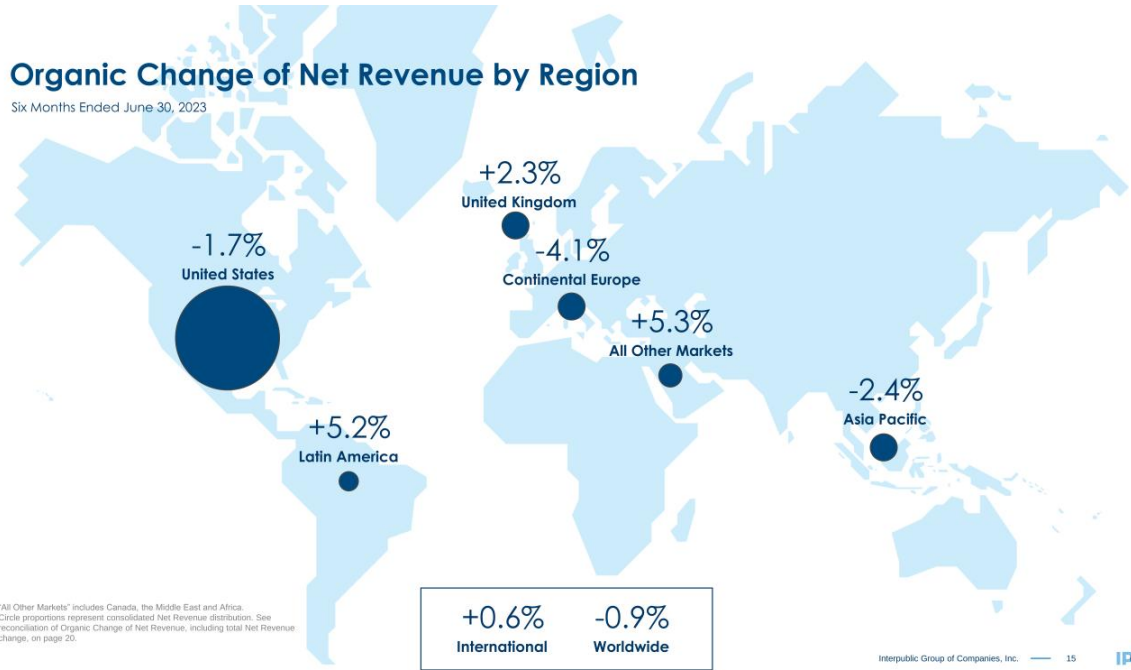
Operating Performance

| | Six Months Ended June 30, | |
|---|---------------------------|-----------------|
| | 2023 | 2022 |
| Revenue Before Billable Expenses | \$ 4,505.4 | \$ 4,602.7 |
| Billable Expenses | 682.1 | 701.5 |
| Total Revenue | 5,187.5 | 5,304.2 |
| Salaries and Related Expenses | 3,175.9 | 3,154.6 |
| Office and Other Direct Expenses | 670.8 | 673.2 |
| Billable Expenses | 682.1 | 701.5 |
| Cost of Services | 4,528.8 | 4,529.3 |
| Selling, General and Administrative Expenses | 26.8 | 38.7 |
| Depreciation and Amortization | 133.0 | 134.9 |
| Restructuring Charges | (0.1) | 6.5 |
| Total Operating Expenses | 4,688.5 | 4,709.4 |
| Operating Income | 499.0 | 594.8 |
| Interest Expense, Net | (43.3) | (59.4) |
| Other Expense, Net | (11.1) | (10.7) |
| Income Before Income Taxes | 444.6 | 524.7 |
| Provision for Income Taxes ⁽¹⁾ | 44.4 | 132.8 |
| Equity in Net Income of Unconsolidated Affiliates | 0.6 | 0.8 |
| Net Income | 400.8 | 392.7 |
| Net Income Attributable to Non-controlling Interests | (9.3) | (3.7) |
| Net Income Available to IPG Common Stockholders | \$ 391.5 | \$ 389.0 |
| Earnings per Share Available to IPG Common Stockholders - Basic | \$ 1.01 | \$ 0.99 |
| Earnings per Share Available to IPG Common Stockholders - Diluted | \$ 1.01 | \$ 0.98 |
| Weighted-Average Number of Common Shares Outstanding - Basic | 385.8 | 393.8 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | 387.6 | 397.5 |
| Dividends Declared per Common Share | \$ 0.620 | \$ 0.580 |

⁽¹⁾ The provision for income taxes for the six months ended June 30, 2023 includes a benefit of \$64.2 related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018, which is primarily non-cash. (\$ in Millions, except per share amounts)

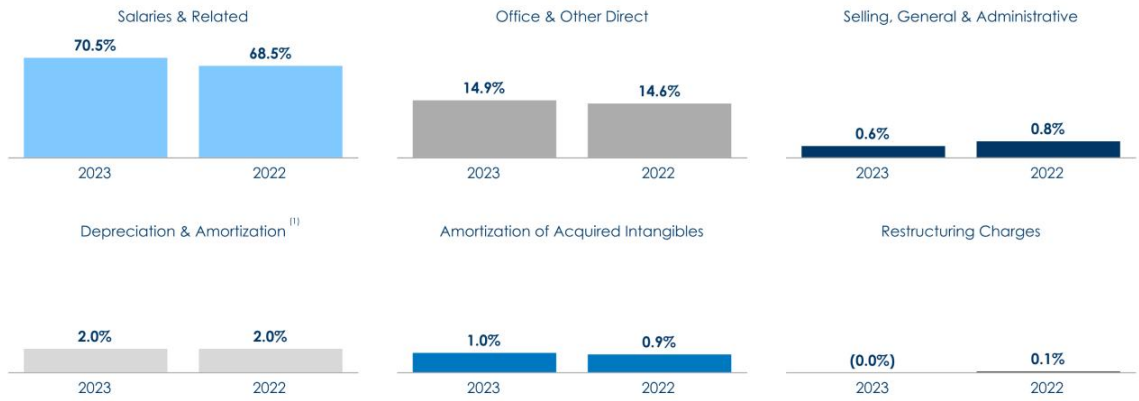
Organic Change of Net Revenue by Region

Six Months Ended June 30, 2023



Operating Expenses % of Revenue Before Billable Expenses

Six Months Ended June 30



⁽¹⁾ Excludes amortization of acquired intangibles.

Cash Flow

| | | Six Months Ended June 30, | |
|------------------------------|---|---------------------------|---------------------|
| | | 2023 | 2022 |
| Net Income | | \$ 400.8 | \$ 392.7 |
| OPERATING ACTIVITIES: | | | |
| | Deferred taxes | (29.0) | (0.1) |
| | Net losses on sales of businesses | 6.8 | 7.1 |
| | Other non-cash items | 16.6 | 13.3 |
| | Depreciation & amortization | 158.3 | 161.6 |
| | Change in working capital, net | (976.4) | (1,247.5) |
| | Change in other non-current assets & liabilities | (159.9) | (51.5) |
| | Net cash used in Operating Activities | (582.8) | (724.4) |
| INVESTING ACTIVITIES: | | | |
| | Purchase of short-term marketable securities | (97.6) | — |
| | Capital expenditures | (79.3) | (72.3) |
| | Acquisitions, net of cash acquired | (6.3) | — |
| | Deconsolidation of a subsidiary | — | (20.4) |
| | Net proceeds from investments | 21.7 | 2.6 |
| | Other investing activities | 5.8 | 0.3 |
| | Net cash used in Investing Activities | (155.7) | (89.8) |
| FINANCING ACTIVITIES: | | | |
| | Common stock dividends | (242.6) | (232.1) |
| | Repurchases of common stock | (128.0) | (147.9) |
| | Tax payments for employee shares withheld | (58.0) | (39.6) |
| | Net decrease in short-term borrowings | (11.0) | (12.1) |
| | Acquisition-related payments | (10.1) | (6.0) |
| | Distributions to noncontrolling interests | (8.5) | (5.2) |
| | Proceeds from long-term debt | 296.3 | — |
| | Other financing activities | (2.6) | (0.2) |
| | Net cash used in Financing Activities | (164.5) | (443.1) |
| | Currency effect | (13.7) | (28.8) |
| | Net decrease in cash, cash equivalents and restricted cash | \$ (916.7) | \$ (1,286.1) |

(\$ in Millions)

Interpublic Group of Companies, Inc. 17



Depreciation and Amortization

| | 2023 | | | | |
|--|---------|---------|----|----|----------|
| | Q1 | Q2 | Q3 | Q4 | YTD 2023 |
| Depreciation and amortization ⁽¹⁾ | \$ 45.6 | \$ 45.3 | | | \$ 90.9 |
| Amortization of acquired intangibles | 20.9 | 21.2 | | | 42.1 |
| Amortization of restricted stock and other non-cash compensation | 11.1 | 12.8 | | | 23.9 |
| Net amortization of bond discounts and deferred financing costs | 0.7 | 0.7 | | | 1.4 |

| | 2022 | | | | |
|--|---------|---------|---------|---------|----------|
| | Q1 | Q2 | Q3 | Q4 | FY 2022 |
| Depreciation and amortization ⁽¹⁾ | \$ 46.5 | \$ 46.0 | \$ 46.8 | \$ 50.0 | \$ 189.3 |
| Amortization of acquired intangibles | 21.3 | 21.1 | 20.2 | 22.1 | 84.7 |
| Amortization of restricted stock and other non-cash compensation | 12.5 | 12.8 | 12.7 | 12.0 | 50.0 |
| Net amortization of bond discounts and deferred financing costs | 0.7 | 0.7 | 0.8 | 0.8 | 3.0 |

⁽¹⁾ Excludes amortization of acquired intangibles.
(\$ in Millions)

Reconciliation of Organic Change of Net Revenue

| | | Three Months Ended June 30, 2022 ⁽¹⁾ | Components of Change | | | Three Months Ended June 30, 2023 | Change | |
|--------------------|---|--|----------------------|---|------------------|-------------------------------------|---------------|---------------|
| | | | Foreign Currency | Net Acquisitions / (Divestitures) | Organic | | Organic | Total |
| SEGMENT: | Media, Data & Engagement Solutions ⁽²⁾ | \$ 1,065.3 | \$ (12.7) | \$ 18.7 | \$ (15.8) | \$ 1,055.5 | (1.5%) | (0.9%) |
| | Integrated Advertising & Creativity Led Solutions ⁽³⁾ | 961.8 | (9.6) | (2.1) | (36.4) | 913.7 | (3.8%) | (5.0%) |
| | Specialized Communications & Experiential Solutions ⁽⁴⁾ | 348.4 | (2.1) | — | 13.0 | 359.3 | 3.7% | 3.1% |
| | Total | \$ 2,375.5 | \$ (24.4) | \$ 16.6 | \$ (39.2) | \$ 2,328.5 | (1.7%) | (2.0%) |
| GEOGRAPHIC: | United States | \$ 1,554.9 | \$ — | \$ 15.5 | \$ (38.6) | \$ 1,531.8 | (2.5%) | (1.5%) |
| | International | 820.6 | (24.4) | 1.1 | (0.6) | 796.7 | (0.1%) | (2.9%) |
| | United Kingdom | 184.8 | (3.1) | — | 3.2 | 184.9 | 1.7% | 0.1% |
| | Continental Europe | 199.8 | 1.2 | — | (8.5) | 192.5 | (4.3%) | (3.7%) |
| | Asia Pacific | 187.8 | (8.1) | 1.7 | (4.1) | 177.3 | (2.2%) | (5.6%) |
| | Latin America | 101.9 | (5.9) | — | 6.4 | 102.4 | 6.3% | 0.5% |
| | All Other Markets | 146.3 | (8.5) | (0.6) | 2.4 | 139.6 | 1.6% | (4.6%) |
| | Worldwide | \$ 2,375.5 | \$ (24.4) | \$ 16.6 | \$ (39.2) | \$ 2,328.5 | (1.7%) | (2.0%) |

⁽¹⁾ Results for the three months ended June 30, 2022 have been recast to reflect the transfer of certain agencies between reportable segments.

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

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

⁽⁴⁾ Comprised of Weber Shandwick, Ogilvy, our sports, entertainment and experiential agencies, and DXTRA Health.

(\$ in Millions)

Reconciliation of Organic Change of Net Revenue

| | | Six Months Ended June 30, 2022 ⁽¹⁾ | Components of Change | | | Six Months Ended June 30, 2023 | Change | |
|--------------------|--|--|----------------------|---|------------------|-----------------------------------|---------------|---------------|
| | | | Foreign Currency | Net Acquisitions / (Divestitures) | Organic | | Organic | Total |
| SEGMENT: | Media, Data & Engagement Solutions ⁽²⁾ | \$ 2,039.0 | \$ (36.0) | \$ 36.1 | \$ (22.8) | \$ 2,016.3 | (1.1%) | (1.1%) |
| | Integrated Advertising & Creativity Led Solutions ⁽³⁾ | 1,878.7 | (30.3) | (14.4) | (44.7) | 1,789.3 | (2.4%) | (4.8%) |
| | Specialized Communications & Experiential Solutions ⁽⁴⁾ | 685.0 | (9.4) | — | 24.2 | 699.8 | 3.5% | 2.2% |
| | Total | \$ 4,602.7 | \$ (75.7) | \$ 21.7 | \$ (43.3) | \$ 4,505.4 | (0.9%) | (2.1%) |
| GEOGRAPHIC: | United States | \$ 3,025.0 | \$ — | \$ 29.5 | \$ (52.1) | \$ 3,002.4 | (1.7%) | (0.7%) |
| | International | 1,577.7 | (75.7) | (7.8) | 8.8 | 1,503.0 | 0.6% | (4.7%) |
| | United Kingdom | 367.2 | (20.5) | — | 8.4 | 355.1 | 2.3% | (3.3%) |
| | Continental Europe | 379.1 | (7.3) | — | (15.6) | 356.2 | (4.1%) | (6.0%) |
| | Asia Pacific | 362.4 | (19.4) | 2.1 | (8.6) | 336.5 | (2.4%) | (7.1%) |
| | Latin America | 189.6 | (10.9) | (1.4) | 9.8 | 187.1 | 5.2% | (1.3%) |
| | All Other Markets | 279.4 | (17.6) | (8.5) | 14.8 | 268.1 | 5.3% | (4.0%) |
| | Worldwide | \$ 4,602.7 | \$ (75.7) | \$ 21.7 | \$ (43.3) | \$ 4,505.4 | (0.9%) | (2.1%) |

⁽¹⁾ Results for the six months ended June 30, 2022 have been recast to reflect the transfer of certain agencies between reportable segments.
⁽²⁾ Comprised of IPG Mediabrands and Acxiom, and our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.
⁽³⁾ Comprised of McCann Worldgroup, IPG Health, MullenLowe Group, Foote, Cone & Belding ("FCB"), and our domestic integrated agencies.
⁽⁴⁾ Comprised of Weber Shandwick, Ogilvy, our sports, entertainment and experiential agencies, and DXTRA Health.
(\$ in Millions)

Reconciliation of Adjusted Results ⁽¹⁾

| | Three Months Ended June 30, 2023 | | | | |
|--|----------------------------------|--------------------------------------|--------------------------------------|--|-----------------------------|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges ⁽²⁾ | Net Losses on Sales of Businesses ⁽³⁾ | Adjusted Results (Non-GAAP) |
| Operating Income and Adjusted EBITA before Restructuring Charges ⁽⁴⁾ | \$ 310.7 | \$ (21.2) | \$ 1.7 | | \$ 330.2 |
| Total (Expenses) and Other Income ⁽⁵⁾ | (32.1) | | | \$ (4.1) | (28.0) |
| Income Before Income Taxes | 278.6 | (21.2) | 1.7 | (4.1) | 302.2 |
| Provision for Income Taxes | 10.6 | 4.2 | (0.4) | 0.1 | 14.5 |
| Effective Tax Rate | 3.8 % | | | | 4.8 % |
| Equity in Net Income of Unconsolidated Affiliates | 0.7 | | | | 0.7 |
| Net Income Attributable to Non-controlling Interests | (3.2) | | | | (3.2) |
| Net Income Available to IPG Common Stockholders | \$ 265.5 | \$ (17.0) | \$ 1.3 | \$ (4.0) | \$ 285.2 |
| Weighted-Average Number of Common Shares Outstanding - Basic | 385.7 | | | | 385.7 |
| Dilutive effect of stock options and restricted shares | 2.0 | | | | 2.0 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | 387.7 | | | | 387.7 |
| Earnings per Share Available to IPG Common Stockholders ⁽⁶⁾⁽⁷⁾: | | | | | |
| Basic | \$ 0.69 | \$ (0.04) | \$ 0.00 | \$ (0.01) | \$ 0.74 |
| Diluted | \$ 0.68 | \$ (0.04) | \$ 0.00 | \$ (0.01) | \$ 0.74 |

⁽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 \$1.7 in the second quarter of 2023 represent adjustments to our restructuring actions taken in Q4 2022, as well as adjustments to the actions taken in 2020.

⁽³⁾ Primarily relates to losses on complete dispositions 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.

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

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

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

⁽⁷⁾ Basic and diluted earnings per share, both As Reported and Adjusted Results (Non-GAAP), include a positive impact of \$0.17 related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018.

(\$ in Millions, except per share amounts)

Reconciliation of Adjusted Results ⁽¹⁾

| | Six Months Ended June 30, 2023 | | | | |
|--|--------------------------------|--------------------------------------|--------------------------------------|--|-----------------------------|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges ⁽²⁾ | Net Losses on Sales of Businesses ⁽³⁾ | Adjusted Results (Non-GAAP) |
| Operating Income and Adjusted EBITA before Restructuring Charges ⁽⁴⁾ | \$ 499.0 | \$ (42.1) | \$ 0.1 | | \$ 541.0 |
| Total (Expenses) and Other Income ⁽⁵⁾ | (54.4) | | | \$ (8.3) | (46.1) |
| Income Before Income Taxes | 444.6 | (42.1) | 0.1 | (8.3) | 494.9 |
| Provision for Income Taxes | 44.4 | 8.4 | (0.1) | 1.4 | 54.1 |
| Effective Tax Rate | 10.0 % | | | | 10.9 % |
| Equity in Net Income of Unconsolidated Affiliates | 0.6 | | | | 0.6 |
| Net Income Attributable to Non-controlling Interests | (9.3) | | | | (9.3) |
| Net Income Available to IPG Common Stockholders | \$ 391.5 | \$ (33.7) | \$ 0.0 | \$ (6.9) | \$ 432.1 |
| Weighted-Average Number of Common Shares Outstanding - Basic | 385.8 | | | | 385.8 |
| Dilutive effect of stock options and restricted shares | 1.8 | | | | 1.8 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | 387.6 | | | | 387.6 |
| Earnings per Share Available to IPG Common Stockholders ⁽⁶⁾⁽⁷⁾: | | | | | |
| Basic | \$ 1.01 | \$ (0.09) | \$ 0.00 | \$ (0.02) | \$ 1.12 |
| Diluted | \$ 1.01 | \$ (0.09) | \$ 0.00 | \$ (0.02) | \$ 1.11 |

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

⁽²⁾ Restructuring charges of \$(0.1) in the first half of 2023 represent adjustments to our restructuring actions taken in Q4 2022, as well as adjustments to the actions taken in 2020.

⁽³⁾ Primarily relates to losses on complete dispositions 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.

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

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

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

⁽⁷⁾ Basic and diluted earnings per share, both As Reported and Adjusted Results (Non-GAAP), include a positive impact of \$0.17 related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018.

(\$ in Millions, except per share amounts)

Reconciliation of Adjusted EBITA ⁽¹⁾

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|------------|---------------------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue Before Billable Expenses | \$ 2,328.5 | \$ 2,375.5 | \$ 4,505.4 | \$ 4,602.7 |
| Non-GAAP Reconciliation: | | | | |
| Net Income Available to IPG Common Stockholders | \$ 265.5 | \$ 229.6 | \$ 391.5 | \$ 389.0 |
| Add Back: | | | | |
| Provision for Income Taxes | 10.6 | 83.7 | 44.4 | 132.8 |
| Subtract: | | | | |
| Total (Expenses) and Other Income | (32.1) | (34.3) | (54.4) | (70.1) |
| Equity in Net Income of Unconsolidated Affiliates | 0.7 | 0.7 | 0.6 | 0.8 |
| Net Income Attributable to Non-controlling Interests | (3.2) | (2.2) | (9.3) | (3.7) |
| Operating Income | \$ 310.7 | \$ 349.1 | \$ 499.0 | \$ 594.8 |
| Add Back: | | | | |
| Amortization of Acquired Intangibles | 21.2 | 21.1 | 42.1 | 42.4 |
| Adjusted EBITA | \$ 331.9 | \$ 370.2 | \$ 541.1 | \$ 637.2 |
| Adjusted EBITA Margin on Revenue Before Billable Expenses % | 14.3 % | 15.6 % | 12.0 % | 13.8 % |
| Restructuring Charges ⁽²⁾ | (1.7) | (0.1) | (0.1) | 6.5 |
| Adjusted EBITA before Restructuring Charges | \$ 330.2 | \$ 370.1 | \$ 541.0 | \$ 643.7 |
| Adjusted EBITA before Restructuring Charges Margin on Revenue Before Billable Expenses % | 14.2 % | 15.6 % | 12.0 % | 14.0 % |

⁽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 \$(1.7) and \$(0.1) in the second quarter and first half of 2023, respectively, represent adjustments to our restructuring actions taken in Q4 2022, as well as adjustments to the actions taken in 2020. Restructuring charges of \$(0.1) and \$6.5 in the second quarter and first half of 2022 were related to adjustments to our restructuring actions taken in 2020. (\$ 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 June 30, | | Three Months Ended June 30, | | Three Months Ended June 30, | | Three Months Ended June 30, | | Three Months Ended June 30, | |
| | 2023 | 2022 ⁽⁶⁾ | 2023 | 2022 ⁽⁶⁾ | 2023 | 2022 ⁽⁶⁾ | 2023 | 2022 ⁽⁶⁾ | 2023 | 2022 ⁽⁶⁾ |
| Revenue Before Billable Expenses | \$ 1,055.5 | \$ 1,065.3 | \$ 913.7 | \$ 961.8 | \$ 359.3 | \$ 348.4 | | | \$ 2,328.5 | \$ 2,375.5 |
| Segment/Adjusted EBITA | \$ 143.3 | \$ 168.9 | \$ 132.3 | \$ 162.9 | \$ 71.3 | \$ 59.4 | \$ (15.0) | \$ (21.0) | \$ 331.9 | \$ 370.2 |
| Restructuring Charges ⁽⁷⁾ | (1.2) | — | — | (0.1) | (0.4) | — | (0.1) | — | (1.7) | (0.1) |
| Segment/Adjusted EBITA before Restructuring Charges | \$ 142.1 | \$ 168.9 | \$ 132.3 | \$ 162.8 | \$ 70.9 | \$ 59.4 | \$ (15.1) | \$ (21.0) | \$ 330.2 | \$ 370.1 |
| Margin (%) of Revenue Before Billable Expenses | 13.5 % | 15.9 % | 14.5 % | 16.9 % | 19.7 % | 17.0 % | | | 14.2 % | 15.6 % |

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

⁽²⁾ Comprised of IPG Mediabrands, Axion, and our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.

⁽³⁾ Comprised of McCann Worldgroup, IPG Health, MullerLowe Group, FCB, and our domestic integrated agencies.

⁽⁴⁾ Comprised of Weber Shandwick, Golin, our sports, entertainment and experiential agencies, and DXTRA Health.

⁽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 June 30, 2022 have been recast to reflect the transfer of certain agencies between reportable segments.

⁽⁷⁾ Restructuring charges of (\$1.7) in the second quarter of 2023 represent adjustments to our restructuring actions taken in Q4 2022, as well as adjustments to the actions taken in 2020. Restructuring charges of (\$0.1) in the second quarter of 2022 were related to adjustments to our restructuring actions taken in 2020.

(\$ 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⁾ | |
|--|---|---------------------|--|---------------------|--|---------------------|------------------------------------|---------------------|---------------------------------|---------------------|
| | Six Months Ended June 30, | | Six Months Ended June 30, | | Six Months Ended June 30, | | Six Months Ended June 30, | | Six Months Ended June 30, | |
| | 2023 | 2022 ⁽⁶⁾ | 2023 | 2022 ⁽⁶⁾ | 2023 | 2022 ⁽⁶⁾ | 2023 | 2022 ⁽⁶⁾ | 2023 | 2022 ⁽⁶⁾ |
| Revenue Before Billable Expenses | \$ 2,016.3 | \$ 2,039.0 | \$ 1,789.3 | \$ 1,878.7 | \$ 699.8 | \$ 685.0 | | | \$ 4,505.4 | \$ 4,602.7 |
| Segment/Adjusted EBITA | \$ 222.4 | \$ 280.7 | \$ 231.1 | \$ 282.9 | \$ 116.5 | \$ 115.5 | \$ (28.9) | \$ (41.9) | \$ 541.1 | \$ 637.2 |
| Restructuring Charges ⁽⁷⁾ | (1.2) | (0.1) | 0.3 | 6.1 | 0.9 | 0.4 | (0.1) | 0.1 | (0.1) | 6.5 |
| Segment/Adjusted EBITA before Restructuring Charges | \$ 221.2 | \$ 280.6 | \$ 231.4 | \$ 289.0 | \$ 117.4 | \$ 115.9 | \$ (29.0) | \$ (41.8) | \$ 541.0 | \$ 643.7 |
| Margin (%) of Revenue Before Billable Expenses | 11.0 % | 13.8 % | 12.9 % | 15.4 % | 16.8 % | 16.9 % | | | 12.0 % | 14.0 % |

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

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

⁽³⁾ Comprised of McCann Worldgroup, IPG Health, MullerLowe Group, FCB, and our domestic integrated agencies.

⁽⁴⁾ Comprised of Weber Shandwick, Golin, our sports, entertainment and experiential agencies, and DXTRA Health.

⁽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 six months ended June 30, 2022 have been recast to reflect the transfer of certain agencies between reportable segments.

⁽⁷⁾ Restructuring charges of \$(0.1) in the first half of 2023 represent adjustments to our restructuring actions taken in Q4 2022, as well as adjustments to the actions taken in 2020. Restructuring charges of \$6.5 in the first half of 2022 were related to adjustments to our restructuring actions taken in 2020.

(\$ in Millions)

Reconciliation of Adjusted Results ⁽¹⁾

| | Three Months Ended June 30, 2022 | | | | |
|--|----------------------------------|--------------------------------------|--------------------------------------|--|-----------------------------|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges ⁽²⁾ | Net Losses on Business Dispositions ⁽³⁾ | Adjusted Results (Non-GAAP) |
| Operating Income and Adjusted EBITA before Restructuring Charges ⁽⁴⁾ | \$ 349.1 | \$ (21.1) | \$ 0.1 | | \$ 370.1 |
| Total (Expenses) and Other Income ⁽⁵⁾ | (34.3) | | | \$ (4.2) | (30.1) |
| Income Before Income Taxes | 314.8 | (21.1) | 0.1 | (4.2) | 340.0 |
| Provision for Income Taxes | 83.7 | 4.3 | 0.0 | 0.0 | 88.0 |
| Effective Tax Rate | 26.6 % | | | | 25.9 % |
| Equity in Net Income of Unconsolidated Affiliates | 0.7 | | | | 0.7 |
| Net Income Attributable to Non-controlling Interests | (2.2) | | | | (2.2) |
| Net Income Available to IPG Common Stockholders | \$ 229.6 | \$ (16.8) | \$ 0.1 | \$ (4.2) | \$ 250.5 |
| Weighted-Average Number of Common Shares Outstanding - Basic | 393.1 | | | | 393.1 |
| Dilutive effect of stock options and restricted shares | 3.7 | | | | 3.7 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | 396.8 | | | | 396.8 |
| Earnings per Share Available to IPG Common Stockholders ⁽⁶⁾: | | | | | |
| Basic | \$ 0.58 | \$ (0.04) | \$ 0.00 | \$ (0.01) | \$ 0.64 |
| Diluted | \$ 0.58 | \$ (0.04) | \$ 0.00 | \$ (0.01) | \$ 0.63 |

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

⁽²⁾ Restructuring charges of \$0.1 in the second quarter of 2022 were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

⁽³⁾ Primarily includes a non-cash loss in the second quarter of 2022 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest, as well as losses on complete dispositions of businesses and the classification of certain assets as held for sale.

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

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

⁽⁶⁾ Earnings per share amounts calculated on an unrounded basis.
(\$ in Millions, except per share amounts)

Reconciliation of Adjusted Results ⁽¹⁾

| | Six Months Ended June 30, 2022 | | | | |
|--|--------------------------------|--------------------------------------|--------------------------------------|--|-----------------------------|
| | As Reported | Amortization of Acquired Intangibles | Restructuring Charges ⁽²⁾ | Net Losses on Business Dispositions ⁽³⁾ | Adjusted Results (Non-GAAP) |
| Operating Income and Adjusted EBITA before Restructuring Charges ⁽⁴⁾ | \$ 594.8 | \$ (42.4) | \$ (6.5) | | \$ 643.7 |
| Total (Expenses) and Other Income ⁽⁵⁾ | (70.1) | | | \$ (10.6) | (59.5) |
| Income Before Income Taxes | 524.7 | (42.4) | (6.5) | (10.6) | 584.2 |
| Provision for Income Taxes | 132.8 | 8.5 | 1.6 | 0.0 | 142.9 |
| Effective Tax Rate | 25.3 % | | | | 24.5 % |
| Equity in Net Income of Unconsolidated Affiliates | 0.8 | | | | 0.8 |
| Net Income Attributable to Non-controlling Interests | (3.7) | | | | (3.7) |
| Net Income Available to IPG Common Stockholders | \$ 389.0 | \$ (33.9) | \$ (4.9) | \$ (10.6) | \$ 438.4 |
| Weighted-Average Number of Common Shares Outstanding - Basic | 393.8 | | | | 393.8 |
| Dilutive effect of stock options and restricted shares | 3.7 | | | | 3.7 |
| Weighted-Average Number of Common Shares Outstanding - Diluted | 397.5 | | | | 397.5 |
| Earnings per Share Available to IPG Common Stockholders ⁽⁶⁾: | | | | | |
| Basic | \$ 0.99 | \$ (0.09) | \$ (0.01) | \$ (0.03) | \$ 1.11 |
| Diluted | \$ 0.98 | \$ (0.09) | \$ (0.01) | \$ (0.03) | \$ 1.10 |

⁽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 \$6.5 in the first half of 2022 were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

⁽³⁾ Primarily includes a non-cash loss in the second quarter of 2022 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest and also includes losses on complete dispositions of businesses and the classification of certain assets as held for sale.

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

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

⁽⁶⁾ Earnings per share amounts calculated on an unrounded basis.
(\$ in Millions, except per share amounts)



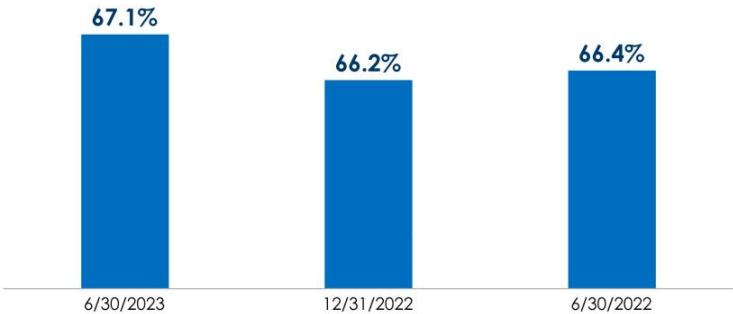
Metrics Update

Metrics Update

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

Salaries & Related Expenses

% of Revenue Before Billable Expenses, Trailing Twelve Months



Salaries & Related Expenses (% of Revenue Before Billable Expenses)

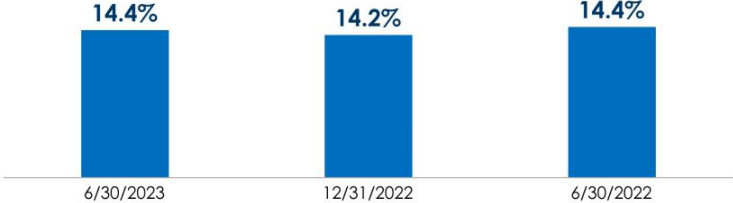
Three and Six Months Ended June 30



*All Other Salaries & Related, not shown, was 1.0% for both the three months ended June 30, 2023 and 2022, and 1.0% and 1.1% for the six months ended June 30, 2023 and 2022, respectively.

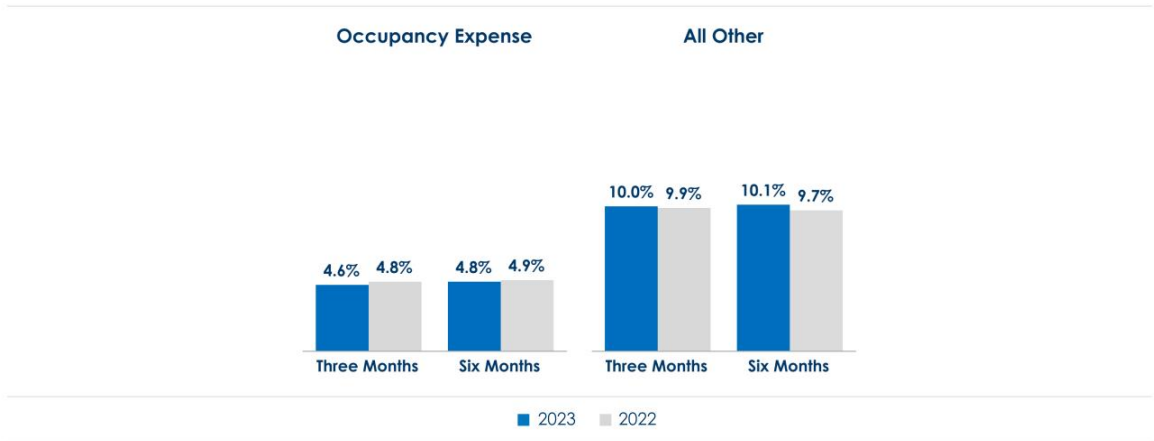
Office & Other Direct Expenses

% of Revenue Before Billable Expenses, Trailing Twelve Months



Office & Other Direct Expenses (% of Revenue Before Billable Expenses)

Three and Six Months Ended June 30



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

Available Liquidity

Cash, Cash Equivalents + Available Committed Credit Facilities



(\$ in Millions)

Interpublic Group of Companies, Inc. 34



Credit Facility Covenant

| Financial Covenant | Four Quarters Ended June 30, 2023 |
|--|--------------------------------------|
| Leverage Ratio (not greater than) ⁽¹⁾ | 3.50x |
| Actual Leverage Ratio | 1.88x |
| | |
| CREDIT AGREEMENT EBITDA RECONCILIATION: | Four Quarters Ended June 30, 2023 |
| Net Income Available to IPG Common Stockholders | \$ 940.5 |
| Non-Operating Adjustments ⁽²⁾ | 344.9 |
| Operating Income | \$ 1,285.4 |
| + Depreciation and Amortization | 336.7 |
| + Other Non-cash Charges Reducing Operating Income | 78.9 |
| + Other Non-cash Adjustments | 1.8 |
| Credit Agreement EBITDA ⁽¹⁾: | \$ 1,702.8 |

⁽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. Management utilizes Credit Agreement EBITDA, which is a non-GAAP financial measure, as well as the amounts shown in the table above, calculated as required by the Credit Agreement, in order to assess our compliance with such covenants.

⁽²⁾ 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 of unconsolidated affiliates, and net income 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 regarding guidance, goals, intentions, and expectations as to future plans, trends, events, or future results of operations or financial position, constitute 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, and are subject to change based on a number of factors, including those outlined under Item 1A, Risk Factors, in our most recent Annual Report on Form 10-K, and our 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;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- the impacts of the COVID-19 pandemic, including potential developments like the emergence of more transmissible or virulent coronavirus variants, and associated mitigation measures, such as restrictions on businesses, social activities and travel, on the economy, our clients and demand for our services;
- risks associated with the effects of global, national and regional economic 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;
- 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.

