



THIRD QUARTER 2021
EARNINGS CONFERENCE CALL

Interpublic Group
October 21, 2021

Overview — Third Quarter 2021

- Net revenue growth was 15.7% and organic growth was 15.0%
 - U.S. organic growth was 14.7%
 - International organic growth was 15.4%
 - Two-year compound organic growth was 10.7%
- Net income as reported was \$239.9 million
- Adjusted EBITA before Restructuring Charges was \$369.5 million, a 16.3% margin on net revenue
- Diluted EPS was \$0.60 as reported, and adjusted diluted EPS was \$0.63
- Following the quarter, on October 1st, paid \$500 million senior note maturity from cash on hand

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

Operating Performance

	Three Months Ended September 30,	
	2021	2020
Net Revenue	\$ 2,261.7	\$ 1,954.6
Billable Expenses	280.3	170.9
Total Revenue	2,542.0	2,125.5
Salaries and Related Expenses	1,511.2	1,269.9
Office and Other Direct Expenses	300.9	307.9
Billable Expenses	280.3	170.9
Cost of Services	2,092.4	1,748.7
Selling, General and Administrative Expenses	32.2	9.9
Depreciation and Amortization	69.4	71.0
Restructuring Charges	(3.5)	47.3
Total Operating Expenses	2,190.5	1,876.9
Operating Income	351.5	248.6
Interest Expense, net	(35.5)	(44.7)
Other Income (Expense), net	2.3	(11.3)
Income Before Income Taxes	318.3	192.6
Provision for (Benefit of) Income Taxes ⁽¹⁾	73.9	(86.3)
Equity in Net Income (Loss) of Unconsolidated Affiliates	0.2	(0.4)
Net Income	244.6	278.5
Net (Income) Loss Attributable to Non-controlling Interests	(4.7)	1.2
Net Income Available to IPG Common Stockholders	\$ 239.9	\$ 279.7
Earnings per Share Available to IPG Common Stockholders - Basic	\$ 0.61	\$ 0.72
Earnings per Share Available to IPG Common Stockholders - Diluted	\$ 0.60	\$ 0.71
Weighted-Average Number of Common Shares Outstanding - Basic	393.5	389.6
Weighted-Average Number of Common Shares Outstanding - Diluted	399.8	393.9
Dividends Declared per Common Share	\$ 0.270	\$ 0.255

⁽¹⁾ Includes an income tax benefit of \$136.2 in the third quarter of 2020 in relation to the finalization and settlement of the U.S. Federal income tax audit for years 2006 through 2016.
(\$ in Millions, except per share amounts)

Net Revenue

	Three Months Ended		Nine Months Ended	
	\$	% Change	\$	% Change
September 30, 2020	\$ 1,954.6		\$ 5,780.1	
Foreign currency	22.4	1.1%	109.8	1.9%
Net acquisitions/(divestitures)	(7.6)	(0.4%)	(27.0)	(0.4%)
Organic	292.3	15.0%	696.1	12.0%
Total change	307.1	15.7%	778.9	13.5%
September 30, 2021	\$ 2,261.7		\$ 6,559.0	

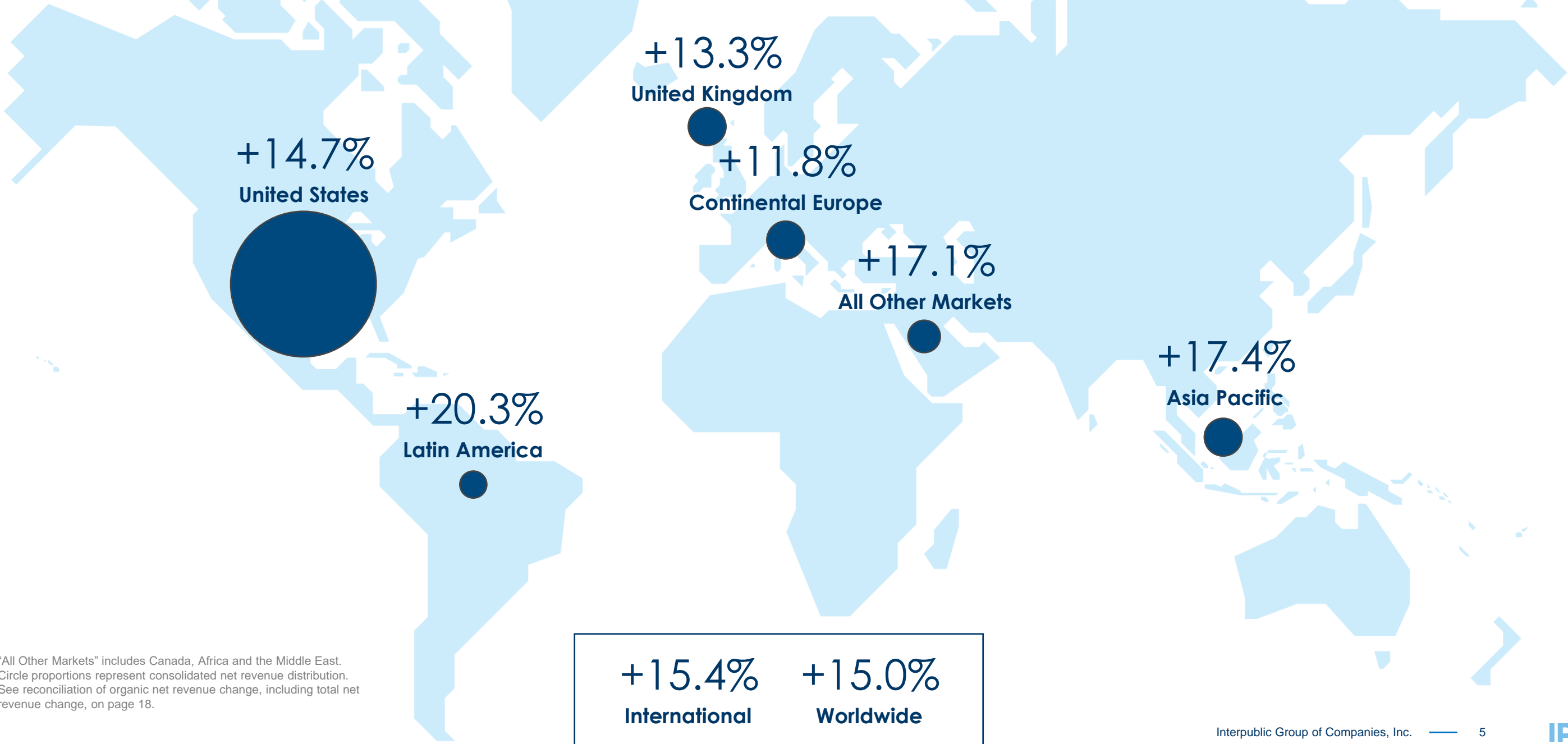
	Three Months Ended September 30,			
			Change	
	2021	2020	Organic	Total
IAN	\$ 1,942.7	\$ 1,685.5	14.4%	15.3%
DXTRA	\$ 319.0	\$ 269.1	18.6%	18.5%

	Nine Months Ended September 30,			
			Change	
	2021	2020	Organic	Total
	\$ 5,631.3	\$ 4,935.7	12.6%	14.1%
	\$ 927.7	\$ 844.4	9.0%	9.9%

See reconciliation of segment organic net revenue change on pages 18 and 19.
(\$ in Millions)

Organic Net Revenue Change by Region

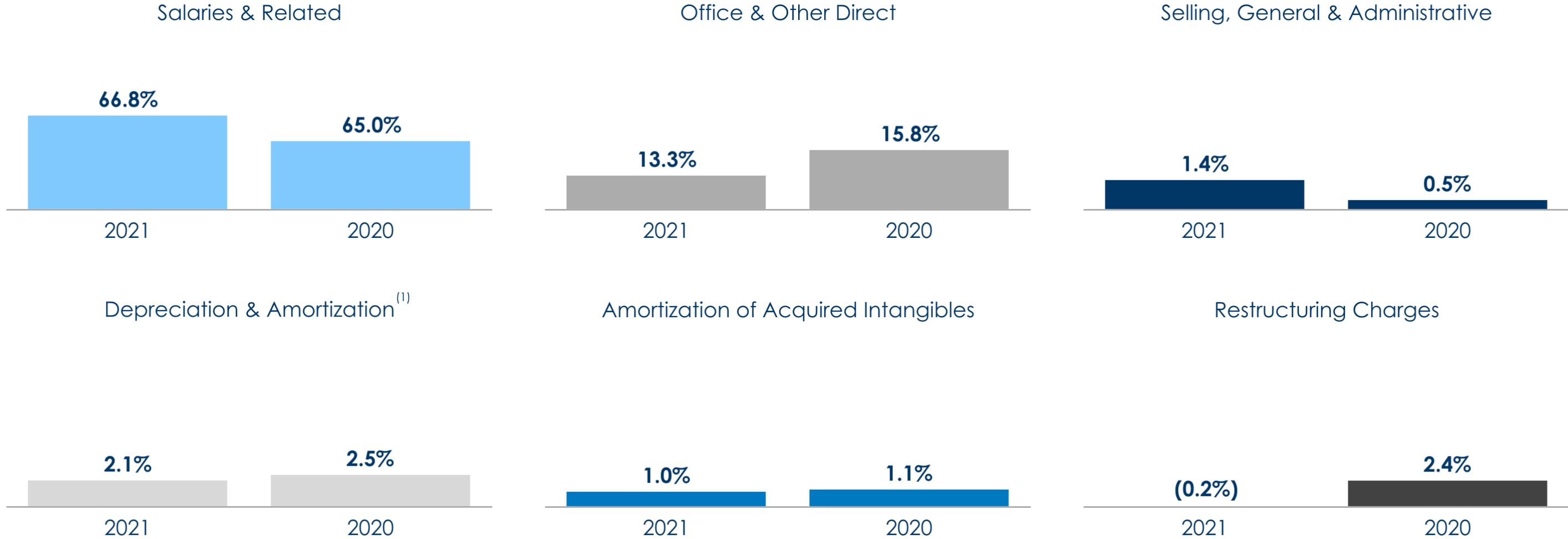
Three Months Ended September 30, 2021



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

Operating Expenses % of Net Revenue

Three Months Ended September 30



⁽¹⁾ Excludes amortization of acquired intangibles.



Adjusted Diluted Earnings Per Share

Three Months Ended September 30, 2021

	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⁾	\$ 351.5	\$ (21.5)	\$ 3.5		\$ 369.5
Total (Expenses) and Other Income ⁽⁴⁾	(33.2)			\$ 1.7	(34.9)
Income Before Income Taxes	318.3	(21.5)	3.5	1.7	334.6
Provision for Income Taxes	73.9	4.2	0.0	0.0	78.1
Equity in Net Income of Unconsolidated Affiliates	0.2				0.2
Net Income Attributable to Non-controlling Interests	(4.7)				(4.7)
DILUTED EPS COMPONENTS:					
Net Income Available to IPG Common Stockholders	\$ 239.9	\$ (17.3)	\$ 3.5	\$ 1.7	\$ 252.0
Weighted-Average Number of Common Shares Outstanding	399.8				399.8
Earnings per Share Available to IPG Common Stockholders ⁽⁵⁾	\$ 0.60	\$ (0.04)	\$ 0.01	\$ 0.00	\$ 0.63

⁽¹⁾ Restructuring charges of (\$3.5) in the third 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.

⁽²⁾ Primarily includes a non-cash gain in the third quarter of 2021 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest, partially offset by losses on complete dispositions of businesses and the classification of certain assets as held of sale.

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

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

⁽⁵⁾ Earnings per share may not add due to rounding.

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

(\$ in Millions, except per share amounts)

Cash Flow

		Three Months Ended September 30,	
		2021	2020
Net Income		\$ 244.6	\$ 278.5
OPERATING ACTIVITIES:	Depreciation & amortization	86.1	94.9
	Net losses on sales of businesses	4.4	8.6
	Deferred taxes	(12.0)	11.7
	Other non-cash items	(5.8)	19.5
	Non-cash restructuring charges	(1.3)	28.1
	Change in working capital, net	79.6	376.8
	Change in other non-current assets & liabilities	(5.4)	(128.8)
	Net cash provided by Operating Activities	390.2	689.3
INVESTING ACTIVITIES:	Capital expenditures	(61.3)	(40.1)
	Deconsolidation of a subsidiary	(16.3)	—
	Net proceeds from investments	3.9	3.9
	Other investing activities	1.7	(3.0)
	Net cash used in Investing Activities	(72.0)	(39.2)
FINANCING ACTIVITIES:	Common stock dividends	(106.2)	(99.4)
	Net decrease in short-term borrowings	(25.2)	(0.6)
	Acquisition-related payments	(15.7)	(8.3)
	Distributions to noncontrolling interests	(2.1)	(4.3)
	Tax payments for employee shares withheld	(1.0)	(0.4)
	Other financing activities	(3.1)	(2.4)
	Net cash used in Financing Activities	(153.3)	(115.4)
	Currency effect	(12.4)	8.6
Net increase in cash, cash equivalents and restricted cash		\$ 152.5	\$ 543.3

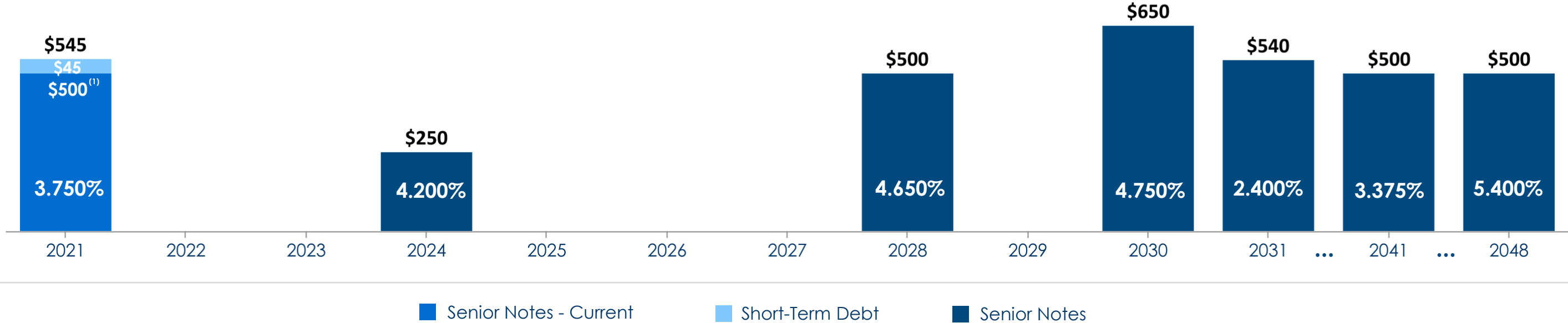
Balance Sheet — Current Portion

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 2,490.0	\$ 2,509.0	\$ 1,628.0
Accounts receivable, net	4,042.5	4,646.4	3,297.4
Accounts receivable, billable to clients	2,150.4	1,820.7	1,817.2
Assets held for sale	3.5	0.8	20.0
Other current assets	446.5	390.7	521.7
Total current assets	\$ 9,132.9	\$ 9,367.6	\$ 7,284.3
CURRENT LIABILITIES:			
Accounts payable	\$ 6,844.2	\$ 7,269.7	\$ 5,105.9
Accrued liabilities	760.4	832.4	644.7
Contract liabilities	622.2	657.8	611.3
Short-term borrowings	44.1	48.0	46.3
Current portion of long-term debt	500.4	502.5	506.6
Current portion of operating leases	270.1	268.5	263.6
Liabilities held for sale	7.6	1.6	49.5
Total current liabilities	\$ 9,049.0	\$ 9,580.5	\$ 7,227.9

(\$ in Millions)

Debt Maturity Schedule

Total Debt = \$3.5 billion



⁽¹⁾ \$500 Senior Notes due October 1, 2021 were repaid on maturity with cash on hand.
(\$ in Millions)



Summary

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



Appendix

Operating Performance

	Nine Months Ended September 30,	
	2021	2020
Net Revenue	\$ 6,559.0	\$ 5,780.1
Billable Expenses	749.6	730.9
Total Revenue	7,308.6	6,511.0
Salaries and Related Expenses	4,389.2	3,998.8
Office and Other Direct Expenses	894.8	1,003.1
Billable Expenses	749.6	730.9
Cost of Services	6,033.6	5,732.8
Selling, General and Administrative Expenses	89.8	36.4
Depreciation and Amortization	208.7	216.9
Restructuring Charges	(2.4)	159.9
Total Operating Expenses	6,329.7	6,146.0
Operating Income	978.9	365.0
Interest Expense, net	(113.2)	(122.7)
Other Expense, net ⁽¹⁾	(76.9)	(54.6)
Income Before Income Taxes	788.8	187.7
Provision for (Benefit of) Income Taxes ⁽²⁾	184.4	(50.1)
Equity in Net Income (Loss) of Unconsolidated Affiliates	0.4	(0.6)
Net Income	604.8	237.2
Net (Income) Loss Attributable to Non-controlling Interests	(9.9)	1.6
Net Income Available to IPG Common Stockholders	\$ 594.9	\$ 238.8
Earnings per Share Available to IPG Common Stockholders - Basic	\$ 1.51	\$ 0.61
Earnings per Share Available to IPG Common Stockholders - Diluted	\$ 1.49	\$ 0.61
Weighted-Average Number of Common Shares Outstanding - Basic	392.8	388.9
Weighted-Average Number of Common Shares Outstanding - Diluted	398.3	392.6
Dividends Declared per Common Share	\$ 0.810	\$ 0.765

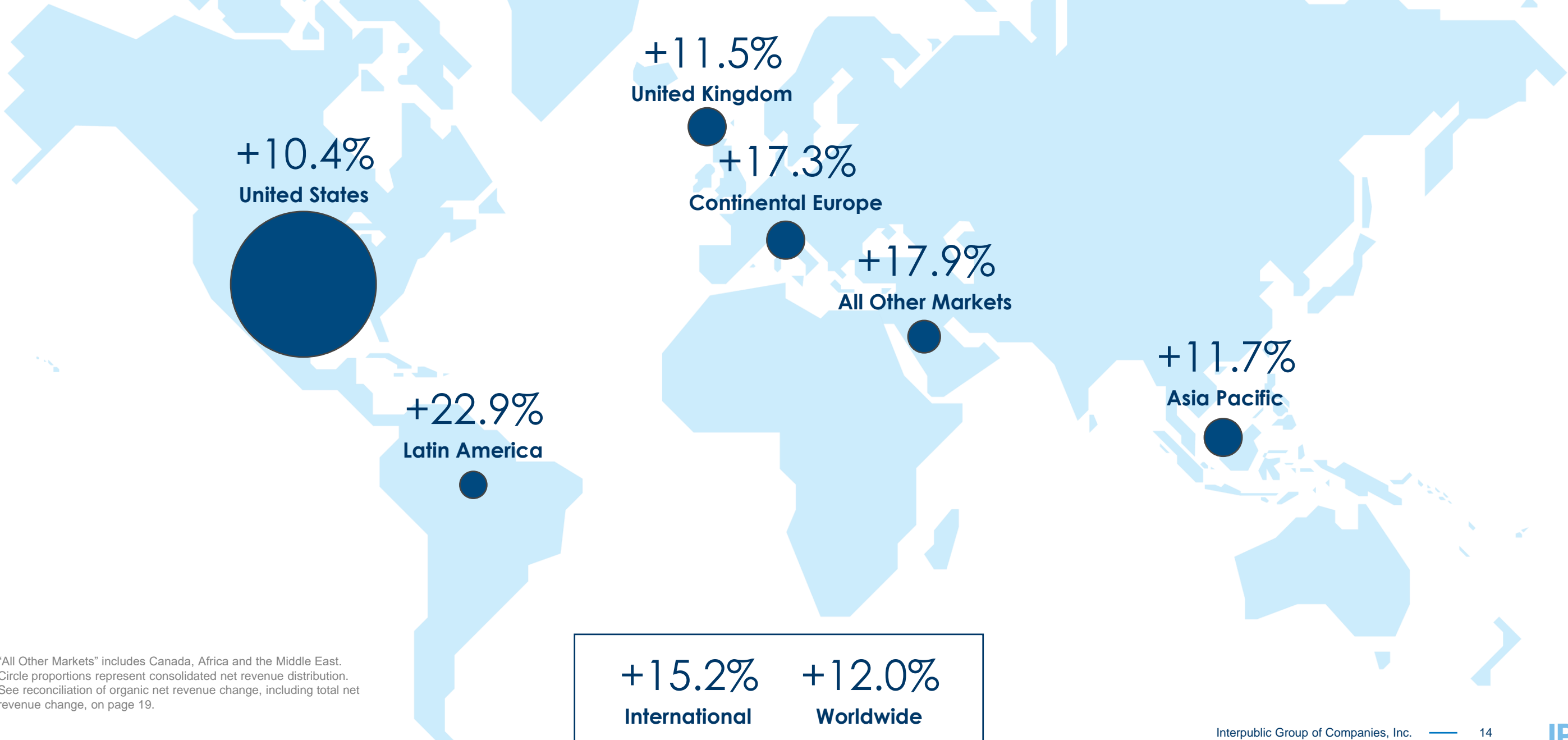
⁽¹⁾ Includes a loss of \$74.0 on early extinguishment of debt in the first quarter of 2021.

⁽²⁾ Includes an income tax benefit of \$136.2 in the third quarter of 2020 in relation to the finalization and settlement of the U.S. Federal income tax audit for years 2006 through 2016.

(\$ in Millions, except per share amounts)

Organic Net Revenue Change by Region

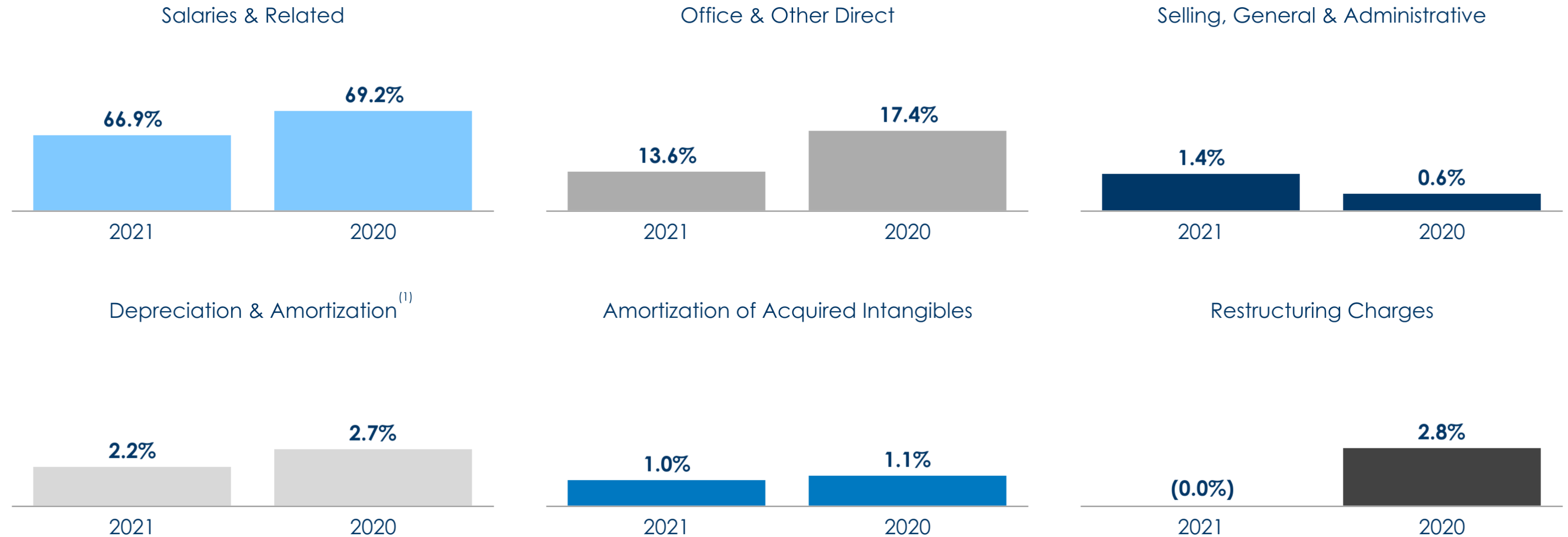
Nine Months Ended September 30, 2021



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

Operating Expenses % of Net Revenue

Nine Months Ended September 30



⁽¹⁾ Excludes amortization of acquired intangibles.

Cash Flow

		Nine Months Ended September 30,	
		2021	2020
Net Income		\$ 604.8	\$ 237.2
OPERATING ACTIVITIES:	Depreciation & amortization	271.4	281.9
	Loss on early extinguishment of debt	74.0	—
	Deferred taxes	34.6	(9.4)
	Net losses on sales of businesses	18.6	51.8
	Non-cash restructuring charges	(2.2)	95.7
	Other non-cash items	(2.2)	70.5
	Change in working capital, net	(315.7)	(259.7)
	Change in other non-current assets & liabilities	(74.7)	(142.9)
	Net cash provided by Operating Activities	608.6	325.1
INVESTING ACTIVITIES:	Capital expenditures	(123.4)	(112.0)
	Deconsolidation of a subsidiary	(16.3)	—
	Acquisitions, net of cash acquired	—	(2.5)
	Net proceeds from investments	32.7	5.6
	Other investing activities	(8.1)	(23.6)
	Net cash used in Investing Activities	(115.1)	(132.5)
FINANCING ACTIVITIES:	Early extinguishment of long-term debt	(1,066.8)	—
	Common stock dividends	(321.4)	(298.6)
	Acquisition-related payments	(28.0)	(40.6)
	Tax payments for employee shares withheld	(25.0)	(22.2)
	Net (decrease) increase in short-term borrowings	(9.4)	1.9
	Distributions to noncontrolling interests	(9.0)	(13.7)
	Proceeds from long-term debt	998.1	646.2
	Exercise of stock options	8.0	0.0
	Other financing activities	(14.3)	(10.7)
	Net cash (used in) provided by Financing Activities	(467.8)	262.3
	Currency effect	(40.3)	(20.3)
	Net (decrease) increase in cash, cash equivalents and restricted cash	\$ (14.6)	\$ 434.6

(\$ in Millions)

Depreciation and Amortization

	2021				
	Q1	Q2	Q3	Q4	YTD 2021
Depreciation and amortization ⁽¹⁾	\$ 47.6	\$ 48.5	\$ 47.9		\$ 144.0
Amortization of acquired intangibles	21.6	21.6	21.5		64.7
Amortization of restricted stock and other non-cash compensation	20.3	21.9	15.7		57.9
Net amortization of bond discounts and deferred financing costs	2.7	1.1	1.0		4.8

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

⁽¹⁾ Excludes amortization of acquired intangibles.

Reconciliation of Organic Net Revenue

		Components of Change				Change		
		Three Months Ended September 30, 2020	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three Months Ended September 30, 2021	Organic	Total
SEGMENT:	IAN	\$ 1,685.5	\$ 18.5	\$ (3.6)	\$ 242.3	\$ 1,942.7	14.4%	15.3%
	DXTRA	269.1	3.9	(4.0)	50.0	319.0	18.6%	18.5%
	Total	\$ 1,954.6	\$ 22.4	\$ (7.6)	\$ 292.3	\$ 2,261.7	15.0%	15.7%
GEOGRAPHIC:	United States	\$ 1,273.4	\$ —	\$ (1.4)	\$ 187.3	\$ 1,459.3	14.7%	14.6%
	International	681.2	22.4	(6.2)	105.0	802.4	15.4%	17.8%
	United Kingdom	162.0	11.6	0.0	21.5	195.1	13.3%	20.4%
	Continental Europe	158.0	2.2	(0.8)	18.7	178.1	11.8%	12.7%
	Asia Pacific	166.0	3.0	(5.9)	28.9	192.0	17.4%	15.7%
	Latin America	78.5	(0.4)	2.3	15.9	96.3	20.3%	22.7%
	All Other Markets	116.7	6.0	(1.8)	20.0	140.9	17.1%	20.7%
	Worldwide	\$ 1,954.6	\$ 22.4	\$ (7.6)	\$ 292.3	\$ 2,261.7	15.0%	15.7%

(\$ in Millions)

Reconciliation of Organic Net Revenue

		Components of Change				Change		
		Nine Months Ended September 30, 2020	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Nine Months Ended September 30, 2021	Organic	Total
SEGMENT:	IAN	\$ 4,935.7	\$ 89.9	\$ (14.7)	\$ 620.4	\$ 5,631.3	12.6%	14.1%
	DXTRA	844.4	19.9	(12.3)	75.7	927.7	9.0%	9.9%
	Total	\$ 5,780.1	\$ 109.8	\$ (27.0)	\$ 696.1	\$ 6,559.0	12.0%	13.5%
GEOGRAPHIC:	United States	\$ 3,820.6	\$ —	\$ (13.6)	\$ 397.6	\$ 4,204.6	10.4%	10.1%
	International	1,959.5	109.8	(13.4)	298.5	2,354.4	15.2%	20.2%
	United Kingdom	474.9	43.1	0.9	54.8	573.7	11.5%	20.8%
	Continental Europe	453.7	29.9	(2.7)	78.5	559.4	17.3%	23.3%
	Asia Pacific	487.4	23.6	(14.2)	56.8	553.6	11.7%	13.6%
	Latin America	220.1	(6.3)	4.4	50.4	268.6	22.9%	22.0%
	All Other Markets	323.4	19.5	(1.8)	58.0	399.1	17.9%	23.4%
	Worldwide	\$ 5,780.1	\$ 109.8	\$ (27.0)	\$ 696.1	\$ 6,559.0	12.0%	13.5%

(\$ in Millions)

Reconciliation of Adjusted Results⁽¹⁾

Three Months Ended September 30, 2021

	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⁾	\$ 351.5	\$ (21.5)	\$ 3.5		\$ 369.5
Total (Expenses) and Other Income ⁽⁵⁾	(33.2)			\$ 1.7	(34.9)
Income Before Income Taxes	318.3	(21.5)	3.5	1.7	334.6
Provision for Income Taxes	73.9	4.2	0.0	0.0	78.1
Equity in Net Income of Unconsolidated Affiliates	0.2				0.2
Net Income Attributable to Non-controlling Interests	(4.7)				(4.7)
Net Income Available to IPG Common Stockholders	\$ 239.9	\$ (17.3)	\$ 3.5	\$ 1.7	\$ 252.0
Weighted-Average Number of Common Shares Outstanding - Basic	393.5				393.5
Dilutive effect of stock options and restricted shares	6.3				6.3
Weighted-Average Number of Common Shares Outstanding - Diluted	399.8				399.8
Earnings per Share Available to IPG Common Stockholders⁽⁶⁾:					
Basic	\$ 0.61	\$ (0.04)	\$ 0.01	\$ 0.00	\$ 0.64
Diluted	\$ 0.60	\$ (0.04)	\$ 0.01	\$ 0.00	\$ 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 (\$3.5) in the third 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⁾ Primarily includes a non-cash gain in the third quarter of 2021 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest, partially offset by 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 22.

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

⁽⁶⁾ Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)

Reconciliation of Adjusted Results⁽¹⁾

Nine Months Ended September 30, 2021

	As Reported	Amortization of Acquired Intangibles	Restructuring Charges ⁽²⁾	Net Losses on Sales of Businesses ⁽³⁾	Loss on Early Extinguishment of Debt ⁽⁴⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges⁽⁵⁾	\$ 978.9	\$ (64.7)	\$ 2.4			\$ 1,041.2
Total (Expenses) and Other Income ⁽⁶⁾	(190.1)			\$ (12.5)	\$ (74.0)	(103.6)
Income Before Income Taxes	788.8	(64.7)	2.4	(12.5)	(74.0)	937.6
Provision for Income Taxes	184.4	12.6	0.3	1.7	18.5	217.5
Equity in Net Income of Unconsolidated Affiliates	0.4					0.4
Net Income Attributable to Non-controlling Interests	(9.9)					(9.9)
Net Income Available to IPG Common Stockholders	\$ 594.9	\$ (52.1)	\$ 2.7	\$ (10.8)	\$ (55.5)	\$ 710.6
Weighted-Average Number of Common Shares Outstanding - Basic	392.8					392.8
Dilutive effect of stock options and restricted shares	5.5					5.5
Weighted-Average Number of Common Shares Outstanding - Diluted	398.3					398.3
Earnings per Share Available to IPG Common Stockholders⁽⁷⁾:						
Basic	\$ 1.51	\$ (0.13)	\$ 0.01	\$ (0.03)	\$ (0.14)	\$ 1.81
Diluted	\$ 1.49	\$ (0.13)	\$ 0.01	\$ (0.03)	\$ (0.14)	\$ 1.78

⁽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 (\$2.4) in the first nine months 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⁾ Includes losses on complete dispositions of businesses and the classification of certain assets as held for sale, partially offset by a non-cash gain in the third quarter of 2021 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest.

⁽⁴⁾ 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.

⁽⁵⁾ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on slide 22.

⁽⁶⁾ Consists of non-operating expenses including interest expense, net and other expense, net.

⁽⁷⁾ Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)

Reconciliation of Adjusted EBITA⁽¹⁾

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net Revenue	\$ 2,261.7	\$ 1,954.6	\$ 6,559.0	\$ 5,780.1
Non-GAAP Reconciliation:				
Net Income Available to IPG Common Stockholders	\$ 239.9	\$ 279.7	\$ 594.9	\$ 238.8
Add Back:				
Provision for (Benefit of) Income Taxes	73.9	(86.3)	184.4	(50.1)
Subject:				
Total (Expenses) and Other Income ⁽²⁾	(33.2)	(56.0)	(190.1)	(177.3)
Equity in Net Income (Loss) of Unconsolidated Affiliates	0.2	(0.4)	0.4	(0.6)
Net (Income) Loss Attributable to Non-controlling Interests	(4.7)	1.2	(9.9)	1.6
Operating Income	\$ 351.5	\$ 248.6	\$ 978.9	\$ 365.0
Add Back:				
Amortization of Acquired Intangibles	21.5	21.3	64.7	64.4
Adjusted EBITA	\$ 373.0	\$ 269.9	\$ 1,043.6	\$ 429.4
Adjusted EBITA Margin on Net Revenue %	16.5 %	13.8 %	15.9 %	7.4 %
Restructuring Charges ⁽³⁾	\$ (3.5)	\$ 47.3	\$ (2.4)	\$ 159.9
Adjusted EBITA before Restructuring Charges	\$ 369.5	\$ 317.2	\$ 1,041.2	\$ 589.3
Adjusted EBITA before Restructuring Charges Margin on Net Revenue %	16.3 %	16.2 %	15.9 %	10.2 %

⁽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 and a non-cash gain in the third quarter of 2021 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest.

⁽³⁾ Restructuring charges of (\$3.5) and (\$2.4) in the third quarter and first nine months of 2021, respectively, were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

(\$ in Millions)

Reconciliation of Adjusted Results⁽¹⁾

	Three Months Ended September 30, 2020						
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Discrete Tax Items ⁽²⁾	Adjusted Results (Non-GAAP)	
Operating Income and Adjusted EBITA before Restructuring Charges⁽³⁾	\$ 248.6	\$ (21.3)	\$ (47.3)			\$ 317.2	
Total (Expenses) and Other Income ⁽⁴⁾	(56.0)			\$ (8.6)		(47.4)	
Income Before Income Taxes	192.6	(21.3)	(47.3)	(8.6)		269.8	
(Benefit of) Provision for Income Taxes	(86.3)	4.3	10.8	2.1	\$ 132.6	63.5	
Equity in Net Loss of Unconsolidated Affiliates	(0.4)					(0.4)	
Net Loss Attributable to Non-controlling Interests	1.2					1.2	
Net Income Available to IPG Common Stockholders	\$ 279.7	\$ (17.0)	(36.5)	\$ (6.5)	\$ 132.6	\$ 207.1	
Weighted-Average Number of Common Shares Outstanding - Basic	389.6					389.6	
Dilutive effect of stock options and restricted shares	4.3					4.3	
Weighted-Average Number of Common Shares Outstanding - Diluted	393.9					393.9	
Earnings per Share Available to IPG Common Stockholders⁽⁵⁾:							
Basic	\$ 0.72	\$ (0.04)	\$ (0.09)	\$ (0.02)	\$ 0.34	\$ 0.53	
Diluted	\$ 0.71	\$ (0.04)	\$ (0.09)	\$ (0.02)	\$ 0.34	\$ 0.53	

(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 tax benefit of \$136.2 related to the finalization and settlement of the U.S. Federal income tax audit for years 2006 through 2016 partially offset by \$3.6 of tax expense related to the estimated costs associated with our change in our APB 23 assertion for certain foreign subsidiaries.

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

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

(5) Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)

Reconciliation of Adjusted Results⁽¹⁾

	Nine Months Ended September 30, 2020					
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Discrete Tax Items ⁽²⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges⁽³⁾	\$ 365.0	\$ (64.4)	\$ (159.9)			\$ 589.3
Total (Expenses) and Other Income ⁽⁴⁾	(177.3)			\$ (51.8)		(125.5)
Income Before Income Taxes	187.7	(64.4)	(159.9)	(51.8)		463.8
(Benefit of) Provision for Income Taxes	(50.1)	12.7	36.2	3.0	\$ 122.6	124.4
Equity in Net Loss of Unconsolidated Affiliates	(0.6)					(0.6)
Net Loss Attributable to Non-controlling Interests	1.6					1.6
Net Income Available to IPG Common Stockholders	\$ 238.8	\$ (51.7)	\$ (123.7)	\$ (48.8)	\$ 122.6	\$ 340.4
Weighted-Average Number of Common Shares Outstanding - Basic	388.9					388.9
Dilutive effect of stock options and restricted shares	3.7					3.7
Weighted-Average Number of Common Shares Outstanding - Diluted	392.6					392.6
Earnings per Share Available to IPG Common Stockholders⁽⁵⁾:						
Basic	\$ 0.61	\$ (0.13)	\$ (0.32)	\$ (0.13)	\$ 0.32	\$ 0.88
Diluted	\$ 0.61	\$ (0.13)	\$ (0.32)	\$ (0.12)	\$ 0.31	\$ 0.87

(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 tax benefit of \$136.2 related to the finalization and settlement of the U.S. Federal income tax audit for years 2006 through 2016 partially offset by \$13.6 of tax expense related to the estimated costs associated with our change in our APB 23 assertion for certain foreign subsidiaries.

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

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

(5) Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)



Metrics Update

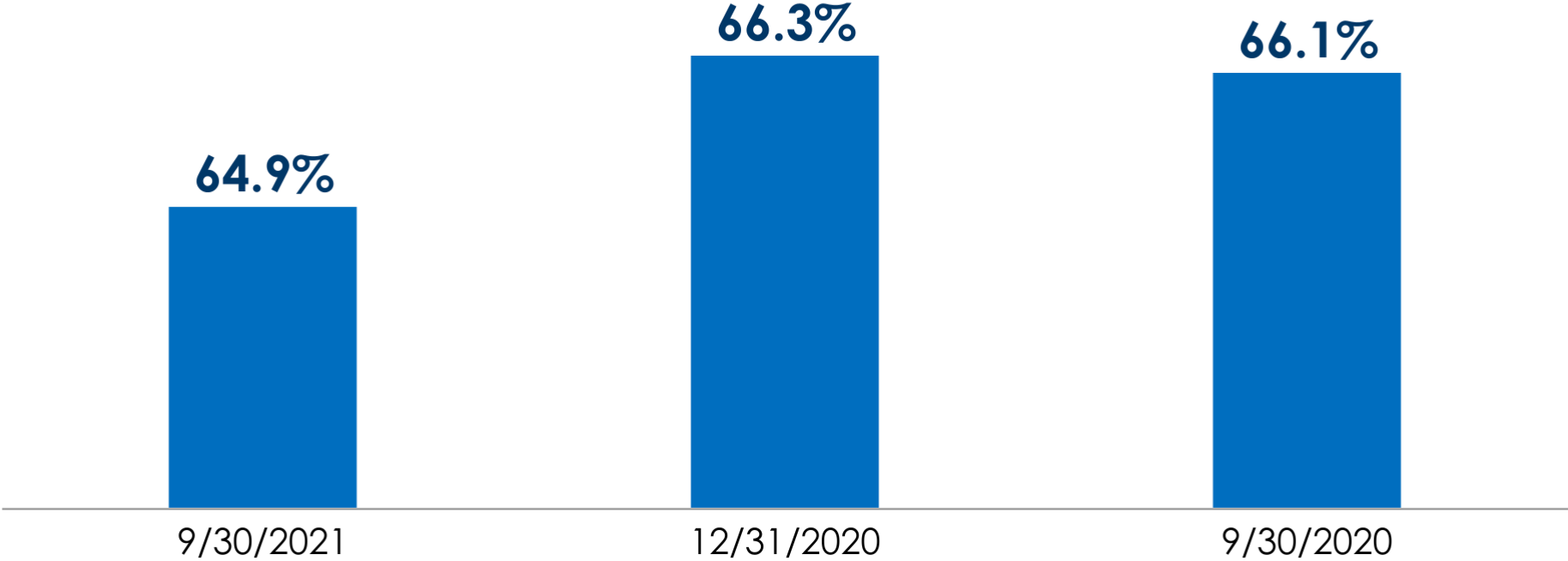
Metrics Update

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		



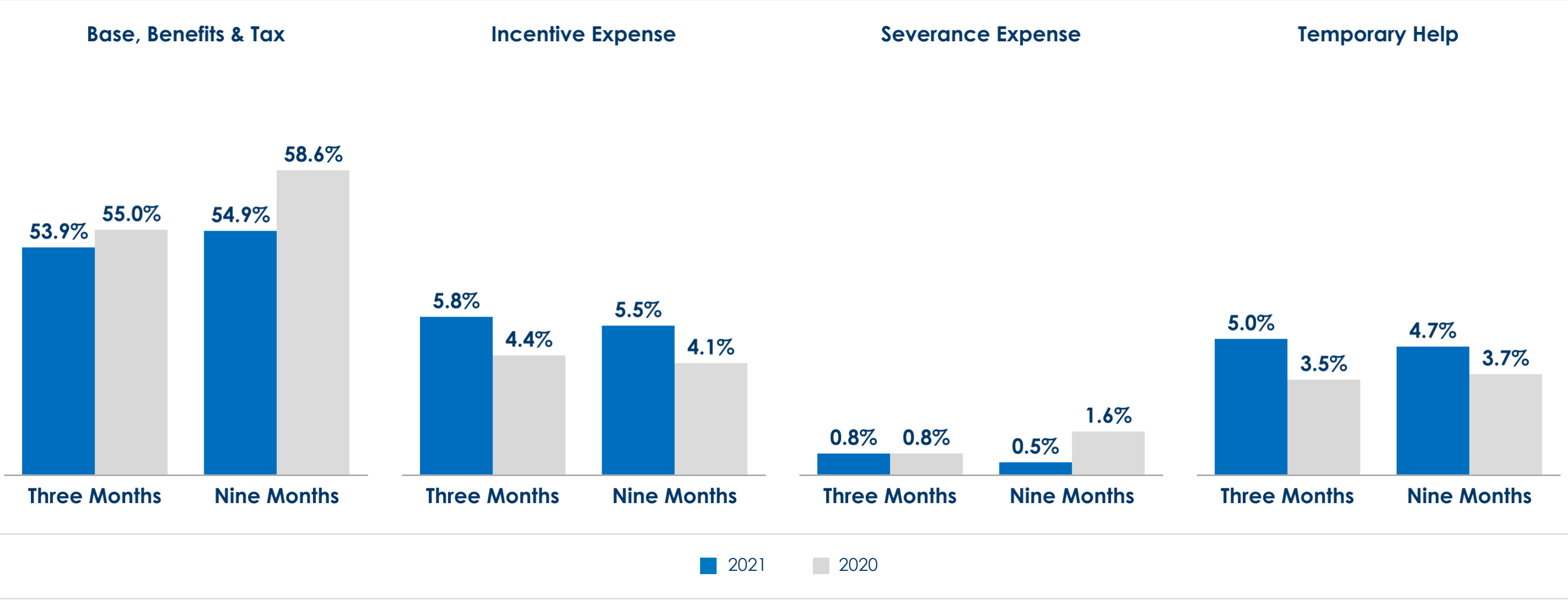
Salaries & Related Expenses

% of Net Revenue, Trailing Twelve Months



Salaries & Related Expenses (% of Net Revenue)

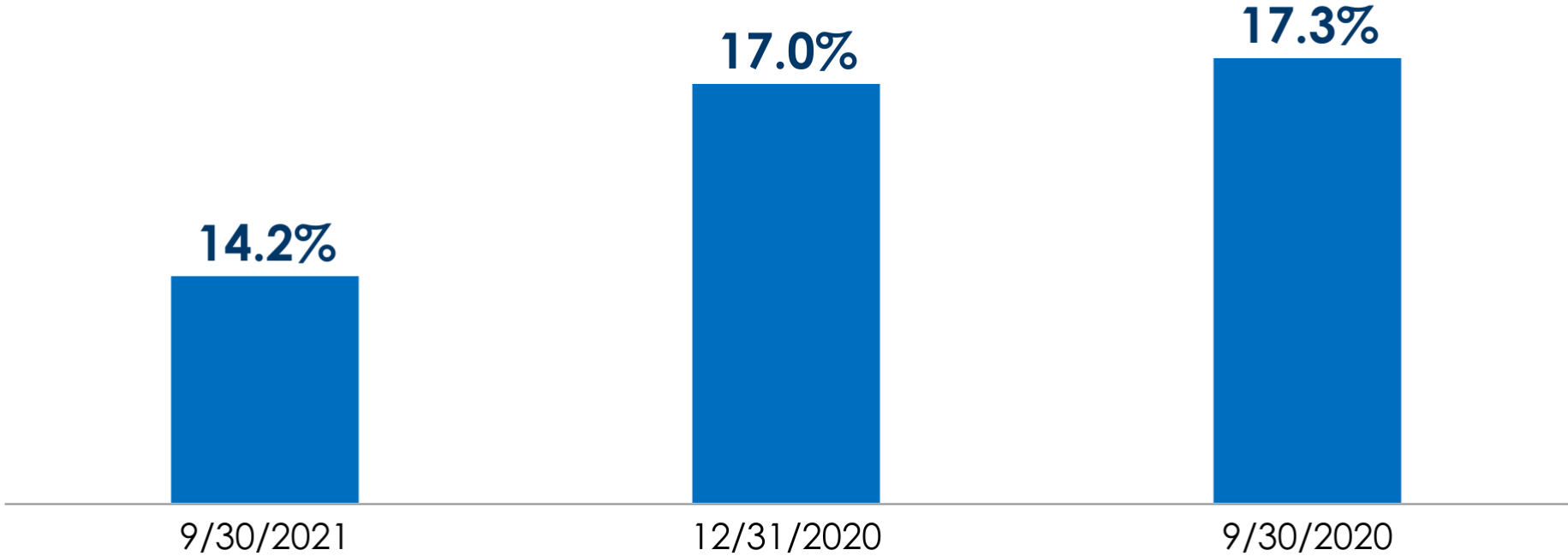
Three and Nine Months Ended September 30



"All Other Salaries & Related," not shown, was 1.3% for both the three months ended September 30, 2021 and 2020, and 1.3% and 1.2% for the nine months ended September 30, 2021 and 2020, respectively.

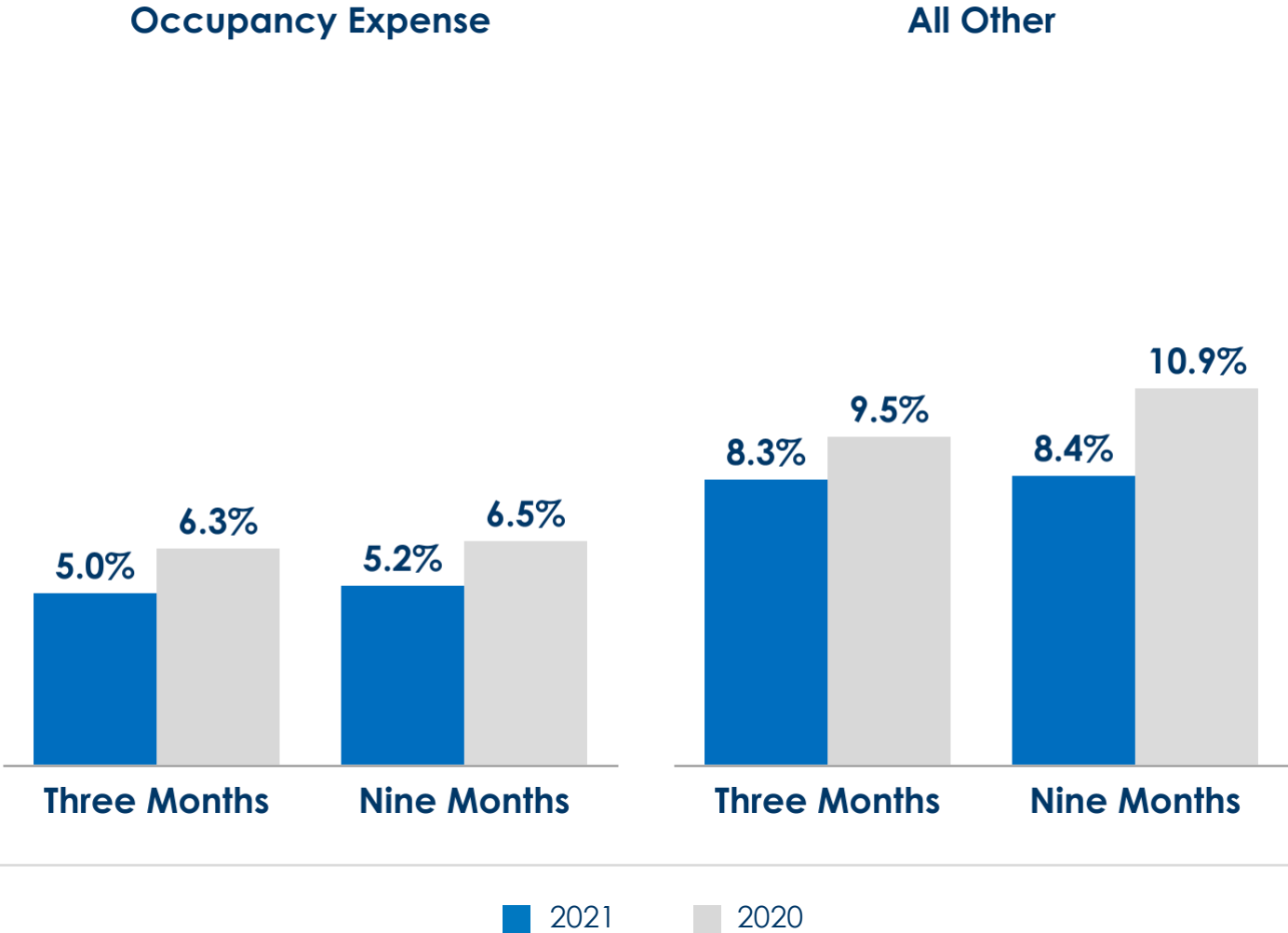
Office & Other Direct Expenses

% of Net Revenue, Trailing Twelve Months



Office & Other Direct Expenses (% of Net Revenue)

Three and Nine Months Ended September 30

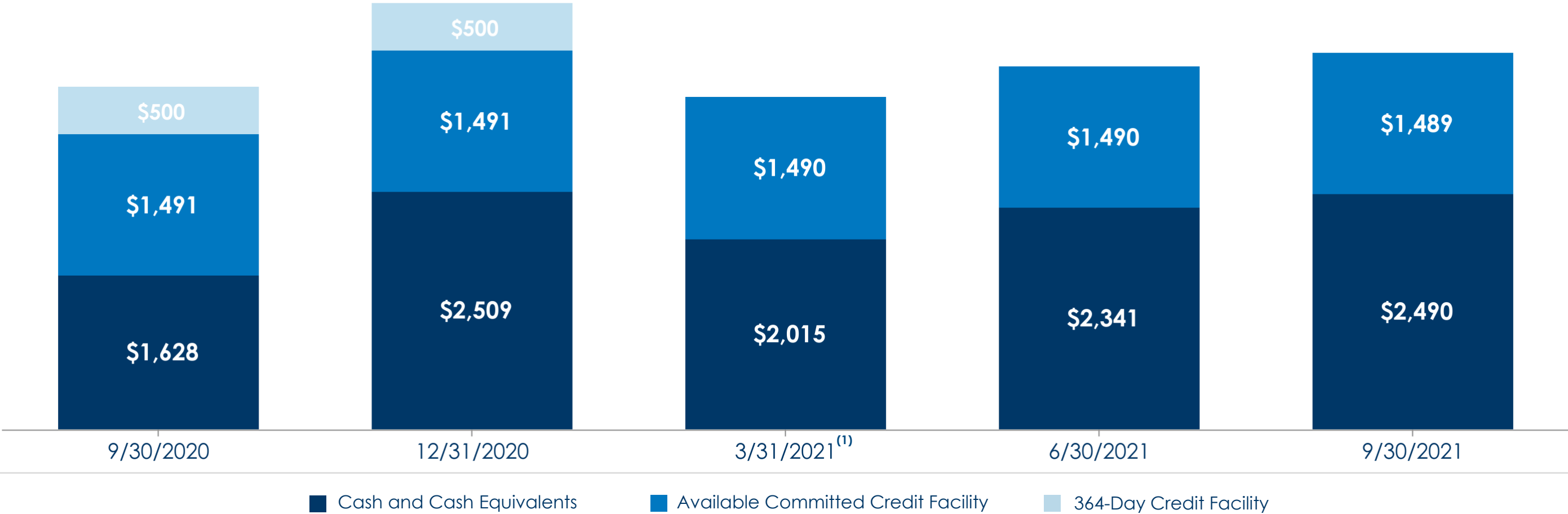


"All Other" primarily includes client service costs, non-pass through production expenses, travel and entertainment, professional fees, spending to support new business activity, telecommunications, office supplies, bad debt expense, adjustments to contingent acquisition obligations, foreign currency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



Available Liquidity

Cash, Cash Equivalents + Available Committed Credit Facilities



⁽¹⁾ The 364-day revolving credit facility matured in March 2021.
(\$ in Millions)



Credit Facility Covenant⁽¹⁾

Financial Covenant	Four Quarters Ended September 30, 2021
Leverage Ratio (not greater than) ⁽²⁾ ⁽³⁾	3.50x
Actual Leverage Ratio	2.01x
CREDIT AGREEMENT EBITDA RECONCILIATION:	Four Quarters Ended September 30, 2021
Net Income Available to IPG Common Stockholders	\$ 707.2
+ Non-Operating Adjustments ⁽⁴⁾	495.1
Operating Income	\$ 1,202.3
+ Depreciation and Amortization	387.1
+ Other Non-cash Charges Reducing Operating Income	131.6
Credit Agreement EBITDA ⁽²⁾:	\$ 1,721.0

⁽¹⁾ The leverage ratio financial covenant applies to our committed corporate credit facility, amended and restated as of November 1, 2019 (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⁾ Pursuant to Amendment No. 1 to the Credit Agreement, our maximum leverage ratio covenant decreased from 4.25x to 3.50x as of the quarter ended September 30, 2021.

⁽⁴⁾ Includes adjustments of the following items from our consolidated statement of operations: provision for income taxes, total (expenses) and other income, equity in net income (loss) of unconsolidated affiliates, and net (income) loss attributable to non-controlling interests.

(\$ in Millions)

Cautionary Statement

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

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

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

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