

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): October 21, 2022



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 October 21, 2022, 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 third quarter and first nine months of 2022, (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 October 21, 2022 (furnished pursuant to Item 2.02)

[Exhibit 99.2](#): Investor presentation dated October 21, 2022 (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: October 21, 2022

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 (October 21, 2022)

Interpublic Announces Third Quarter and First Nine Months 2022 Results

- *Third quarter revenue before billable expenses ("net revenue") was \$2.30 billion, an increase of 1.5% from a year ago, with organic growth of 5.6%*
- *Third quarter net income was \$251.8 million, with adjusted EBITA before restructuring charges of \$356.2 million and margin of 15.5% on revenue before billable expenses*
- *Third quarter diluted EPS was \$0.64 as reported and \$0.63 as adjusted*
- *Company upgrades FY-22 performance outlook, despite a more challenging macroeconomic environment, highlighting strength of talent and diverse offerings, delivered through an integrated and flexible business model*

Philippe Krakowsky, CEO of IPG:

"Third quarter performance was highlighted by solid revenue growth in all world regions, and driven by contributions from across our portfolio, whether viewed by segments, agencies or marketing disciplines. For the quarter, organic growth was 5.6%, on top of 15.0% a year ago, which brings our three-year growth stack to 16.9%.

"Embedding digital across the portfolio and adding a layer of data and tech to our offerings have been important parts of our playbook, as has our commitment to strong agency brands and industry-leading talent. Our people are delivering marketing and media solutions that bring together creativity, technology and data in ways that drive growth for our clients and as we look to the future, an important area of focus will continue to be commerce and business transformation work.

"Despite heightened macroeconomic and geopolitical uncertainty, we are upgrading our expectation for organic growth for the full year to 7%. With growth at that level, we expect to achieve adjusted EBITA margin of 16.6%. As we further evolve our offerings and align our portfolio in the service of clients, we see significant opportunity to keep creating value for all of our stakeholders."

Summary

Revenue

- Third quarter 2022 revenue before billable expenses ("net revenue") was \$2.30 billion, an increase of 1.5% from the third quarter of 2021.
- Third quarter organic increase of net revenue was 5.6% from the third quarter of 2021, with organic growth in all world regions.
- First nine months 2022 revenue before billable expenses ("net revenue") was \$6.90 billion, an increase of 5.2% from the first nine months of 2021.

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- First nine months organic increase of net revenue was 8.2%, with organic growth in all world regions.

Operating Results

- Operating income in the third quarter of 2022 was \$341.8 million compared to \$351.5 million in 2021.
- Adjusted EBITA before restructuring charges was \$356.2 million in the third quarter of 2022, compared to adjusted EBITA before restructuring charges of \$369.5 million for the same period in 2021.
- Our margin of adjusted EBITA before restructuring charges on revenue before billable expenses was 15.5%, compared to 16.3% in the third quarter of 2021. The comparison is mainly due to increased headcount from a year ago required to support our strong 9.1% organic growth over the trailing twelve months, and to the impact of the pandemic on our operating expenses a year ago, when certain expenses were at historically low levels.
- Operating income in the first nine months of 2022 was \$936.6 million compared to \$978.9 million in 2021. Adjusted EBITA before restructuring charges was \$999.9 million in the first nine months of 2022, compared to adjusted EBITA before restructuring charges of \$1,041.2 million for the same period in 2021. Our margin of adjusted EBITA before restructuring charges on revenue before billable expenses was 14.5%, compared to 15.9% in 2021.
- Net restructuring charges were \$(5.8) million and \$0.7 million for the third quarter and first nine months of 2022, respectively. Net restructuring charges were \$(3.5) million and \$(2.4) million for the third quarter and first nine months of 2021, respectively. Restructuring charges represent adjustments to our 2020 restructuring program, rather than new actions.
- Refer to reconciliations in the appendix within this press release for further detail.

Net Results

- Income tax provision in the third quarter of 2022 was \$76.4 million on income before income taxes of \$331.4 million.
- Third quarter 2022 net income available to IPG common stockholders was \$251.8 million, resulting in earnings of \$0.64 per basic share and \$0.64 per diluted share compared to earnings of \$0.61 per basic share and \$0.60 per diluted share for the same period in 2021. Adjusted earnings were \$0.63 per diluted share, compared to adjusted earnings of \$0.63 per diluted share a year ago. Third quarter 2022 adjusted earnings excludes after-tax amortization of acquired intangibles of \$16.0 million, after-tax restructuring credit of \$4.0 million and an after-tax gain of \$15.2 million on the dispositions of businesses.

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- Income tax provision in the first nine months of 2022 was \$209.2 million on income before income taxes of \$856.1 million.
- First nine months 2022 net income available to IPG common stockholders was \$640.8 million, resulting in earnings of \$1.63 per basic share and \$1.62 per diluted share compared to earnings of \$1.51 per basic share and \$1.49 per diluted share for the same period in 2021. Adjusted earnings were \$1.73 per diluted share, compared to adjusted earnings of \$1.78 per diluted share a year ago. First nine months 2022 adjusted earnings excludes after-tax amortization of acquired intangibles of \$49.9 million, after-tax restructuring charges of \$0.9 million and an after-tax gain of \$4.6 million on the dispositions of businesses.
- Refer to reconciliations in the appendix within this press release for further detail.

Operating Results

Revenue

Revenue before billable expenses of \$2.30 billion in the third quarter of 2022 increased 1.5% compared with the same period in 2021. During the quarter, the effect of foreign currency translation was negative 3.6%, the impact of net dispositions was negative 0.5%, and the resulting organic increase of net revenue was 5.6%.

Revenue before billable expenses of \$6.90 billion in the first nine months of 2022 increased 5.2% compared with the same period in 2021. During the first nine months of 2022, the effect of foreign currency translation was negative 2.6%, the impact of net dispositions was negative 0.4%, and the resulting organic increase of net revenue was 8.2%.

Operating Expenses

For the third quarter of 2022, total operating expenses, excluding billable expenses, increased 2.3%, mainly due to expenses related to increased headcount from a year ago required to support our strong 9.1% organic growth over the trailing twelve months, and to the impact of the pandemic on our operating expenses a year ago, when certain expenses were at historically low levels. For the first nine months of 2022, total operating expenses, excluding billable expenses, increased by 6.8%.

Total salaries and related expenses in the third quarter of 2022 were \$1.55 billion, an increase of 2.4% from a year ago. The increase was primarily due to an increase in base salaries, benefits and payroll tax, which was driven by hiring to support revenue growth, partially offset by a decrease in performance-based employee compensation expense and temporary help expense. Total salaries and related expenses in the first nine months of 2022 were \$4.70 billion, an increase 7.1% from a year ago. The increase was primarily due to an increase in base

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salaries, benefits and payroll tax, which was driven by hiring to support revenue growth, partially offset by a decrease in performance-based employee compensation expense.

Office and other direct expenses were \$327.9 million in the third quarter, an increase of 9.0% from a year ago, due to increased travel and entertainment expenses and client service costs, partially offset by a decrease in occupancy expense. Office and other direct expenses were \$1,001.1 million in the first nine months of 2022, an increase of 11.9% from a year ago, due to increases in travel and entertainment expenses, client services costs and professional consulting fees, as well as expenses related to new business development and company meetings and conferences.

Selling, general and administrative expenses were \$18.5 million in the third quarter, a decrease of 42.5% from a year ago, due to decreases in performance-based incentive compensation expense. Selling, general and administrative expenses were \$57.2 million in the first nine months of 2022, a decrease of 36.3% from a year ago, due to decreases in performance-based incentive compensation expense.

Depreciation and amortization expense decreased by 3.5% during the third quarter of 2022, and decreased by 3.3% during the first nine months of 2022.

Restructuring charges in the third quarter of 2022 were \$(5.8) million and were \$0.7 million in the first nine months of 2022, consisting of adjustments to the Company's restructuring actions taken during 2020. There were no new restructuring actions taken in the first nine months of 2022.

Non-Operating Results and Tax

Net interest expense decreased by \$7.6 million to \$27.9 million in the third quarter of 2022 from a year ago, and decreased by \$25.9 million to \$87.3 million in the first nine months of 2022 from a year ago.

Other income, net was \$17.5 million in the third quarter of 2022 and other income, net was \$6.8 million in the first nine months of 2022, which primarily relates to a cash gain in the third quarter of 2022 related to the sale of an equity investment, as well as gains on dispositions of businesses and the classification of certain assets as held for sale.

The income tax provision in the third quarter of 2022 was \$76.4 million on income before income taxes of \$331.4 million. This compares to an income tax provision of \$73.9 million for the third quarter of 2021 on income before income taxes of \$318.3 million.

The income tax provision in the first nine months of 2022 was \$209.2 million on income before income taxes of \$856.1 million. This compares to an income tax provision of \$184.4 million for the first nine months of 2021 on income before income taxes of \$788.8 million.

Balance Sheet

At September 30, 2022, cash and cash equivalents totaled \$1.77 billion, compared to \$3.27 billion at December 31, 2021 and \$2.49 billion on September 30, 2021. Total debt was \$2.96 billion at September 30, 2022, compared to \$2.96 billion at December 31, 2021.

Share Repurchase Program

During the first nine months of 2022, the Company repurchased 7.1 million shares of its common stock at an aggregate cost of \$221.6 million and an average price of \$31.10 per share, including fees.

Common Stock Dividend

During the third quarter of 2022, the Company declared and paid a common stock cash dividend of \$0.290 per share, for a total of \$113.0 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 Acxiom, Craft, FCB, FutureBrand, Golin, Huge, Initiative, IPG Health, Jack Morton, Kinesso, MAGNA, Matterkind, McCann, Mediaplex, Momentum, MRM, MullenLowe Group, Octagon, R/GA, UM, Weber Shandwick and more. IPG is an S&P 500 company with total revenue of \$10.24 billion in 2021.

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Cautionary Statement

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

APPENDIX

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THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
THIRD QUARTER REPORT 2022 AND 2021
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three Months Ended September 30,		
	2022	2021	Fav. (Unfav.) % Variance
Revenue:			
Revenue before Billable Expenses	\$ 2,296.2	\$ 2,261.7	1.5 %
Billable Expenses	341.5	280.3	21.8 %
Total Revenue	<u>2,637.7</u>	<u>2,542.0</u>	<u>3.8 %</u>
Operating Expenses:			
Salaries and Related Expenses	1,546.8	1,511.2	(2.4)%
Office and Other Direct Expenses	327.9	300.9	(9.0)%
Billable Expenses	341.5	280.3	(21.8)%
Cost of Services	2,216.2	2,092.4	(5.9)%
Selling, General and Administrative Expenses	18.5	32.2	42.5 %
Depreciation and Amortization	67.0	69.4	3.5 %
Restructuring Charges	(5.8)	(3.5)	65.7 %
Total Operating Expenses	<u>2,295.9</u>	<u>2,190.5</u>	<u>(4.8)%</u>
Operating Income	<u>341.8</u>	<u>351.5</u>	<u>(2.8)%</u>
Expenses and Other Income:			
Interest Expense	(44.9)	(42.9)	
Interest Income	17.0	7.4	
Other Income, Net	17.5	2.3	
Total (Expenses) and Other Income	<u>(10.4)</u>	<u>(33.2)</u>	
Income Before Income Taxes	<u>331.4</u>	<u>318.3</u>	
Provision for Income Taxes	76.4	73.9	
Income of Consolidated Companies	<u>255.0</u>	<u>244.4</u>	
Equity in Net Income of Unconsolidated Affiliates	2.5	0.2	
Net Income	<u>257.5</u>	<u>244.6</u>	
Net Income Attributable to Non-controlling Interests	(5.7)	(4.7)	
Net Income Available to IPG Common Stockholders	<u>\$ 251.8</u>	<u>\$ 239.9</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.64	\$ 0.61	
Diluted	\$ 0.64	\$ 0.60	
Weighted-Average Number of Common Shares Outstanding:			
Basic	390.6	393.5	
Diluted	394.1	399.8	
Dividends Declared Per Common Share	\$ 0.290	\$ 0.270	

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THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
THIRD QUARTER REPORT 2022 AND 2021
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Nine Months Ended September 30,		
	2022	2021	Fav. (Unfav.) % Variance
Revenue:			
Revenue before Billable Expenses	\$ 6,898.9	\$ 6,559.0	5.2 %
Billable Expenses	1,043.0	749.6	39.1 %
Total Revenue	7,941.9	7,308.6	8.7 %
Operating Expenses:			
Salaries and Related Expenses	4,701.4	4,389.2	(7.1)%
Office and Other Direct Expenses	1,001.1	894.8	(11.9)%
Billable Expenses	1,043.0	749.6	(39.1)%
Cost of Services	6,745.5	6,033.6	(11.8)%
Selling, General and Administrative Expenses	57.2	89.8	36.3 %
Depreciation and Amortization	201.9	208.7	3.3 %
Restructuring Charges	0.7	(2.4)	>(100)%
Total Operating Expenses	7,005.3	6,329.7	(10.7)%
Operating Income	936.6	978.9	(4.3)%
Expenses and Other Income:			
Interest Expense	(125.3)	(135.1)	
Interest Income	38.0	21.9	
Other Income (Expense), Net	6.8	(76.9)	
Total (Expenses) and Other Income	(80.5)	(190.1)	
Income Before Income Taxes	856.1	788.8	
Provision for Income Taxes	209.2	184.4	
Income of Consolidated Companies	646.9	604.4	
Equity in Net Income of Unconsolidated Affiliates	3.3	0.4	
Net Income	650.2	604.8	
Net Income Attributable to Non-controlling Interests	(9.4)	(9.9)	
Net Income Available to IPG Common Stockholders	\$ 640.8	\$ 594.9	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 1.63	\$ 1.51	
Diluted	\$ 1.62	\$ 1.49	
Weighted-Average Number of Common Shares Outstanding:			
Basic	392.7	392.8	
Diluted	396.2	398.3	
Dividends Declared Per Common Share	\$ 0.870	\$ 0.810	

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 September 30, 2022				
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges ¹	Net Gain on Business Dispositions ²	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges³	\$ 341.8	\$ (20.2)	\$ 5.8		\$ 356.2
Total (Expenses) and Other Income ⁴	(10.4)			\$ 15.1	(25.5)
Income Before Income Taxes	331.4	(20.2)	5.8	15.1	330.7
Provision for Income Taxes	76.4	4.2	(1.8)	0.1	78.9
Equity in Net Income of Unconsolidated Affiliates	2.5				2.5
Net Income Attributable to Non-controlling Interests	(5.7)				(5.7)
Net Income Available to IPG Common Stockholders	\$ 251.8	\$ (16.0)	\$ 4.0	\$ 15.2	\$ 248.6
Weighted-Average Number of Common Shares Outstanding - Basic	390.6				390.6
Dilutive effect of stock options and restricted shares	3.5				3.5
Weighted-Average Number of Common Shares Outstanding - Diluted	394.1				394.1
Earnings per Share Available to IPG Common Stockholders⁵:					
Basic	\$ 0.64	\$ (0.04)	\$ 0.01	\$ 0.04	\$ 0.64
Diluted	\$ 0.64	\$ (0.04)	\$ 0.01	\$ 0.04	\$ 0.63

¹ Restructuring charges of \$(5.8) in the third 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 relates to a cash gain in the third quarter of 2022 related to the sale of an equity investment, as well as gains on 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)

	Nine Months Ended September 30, 2022				
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges ¹	Net Gain on Business Dispositions ²	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges³	\$ 936.6	\$ (62.6)	\$ (0.7)		\$ 999.9
Total (Expenses) and Other Income ⁴	(80.5)			\$ 4.5	(85.0)
Income Before Income Taxes	856.1	(62.6)	(0.7)	4.5	914.9
Provision for Income Taxes	209.2	12.7	(0.2)	0.1	221.8
Equity in Net Income of Unconsolidated Affiliates	3.3				3.3
Net Income Attributable to Non-controlling Interests	(9.4)				(9.4)
Net Income Available to IPG Common Stockholders	\$ 640.8	\$ (49.9)	\$ (0.9)	\$ 4.6	\$ 687.0
Weighted-Average Number of Common Shares Outstanding - Basic	392.7				392.7
Dilutive effect of stock options and restricted shares	3.5				3.5
Weighted-Average Number of Common Shares Outstanding - Diluted	396.2				396.2
Earnings per Share Available to IPG Common Stockholders⁵:					
Basic	\$ 1.63	\$ (0.13)	\$ 0.00	\$ 0.01	\$ 1.75
Diluted	\$ 1.62	\$ (0.13)	\$ 0.00	\$ 0.01	\$ 1.73

¹ Restructuring charges of \$0.7 in the first nine months 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 cash gain in the first nine months of 2022 related to the sale of an equity investment, partially offset by a non-cash loss related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity investment, as well as losses on 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)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue Before Billable Expenses	\$ 2,296.2	\$ 2,261.7	\$ 6,898.9	\$ 6,559.0
Non-GAAP Reconciliation:				
Net Income Available to IPG Common Stockholders	\$ 251.8	\$ 239.9	\$ 640.8	\$ 594.9
Add Back:				
Provision for Income Taxes	76.4	73.9	209.2	184.4
Subtract:				
Total (Expenses) and Other Income	(10.4)	(33.2)	(80.5)	(190.1)
Equity in Net Income of Unconsolidated Affiliates	2.5	0.2	3.3	0.4
Net Income Attributable to Non-controlling Interests	(5.7)	(4.7)	(9.4)	(9.9)
Operating Income	341.8	351.5	936.6	978.9
Add Back:				
Amortization of Acquired Intangibles	20.2	21.5	62.6	64.7
Adjusted EBITA	\$ 362.0	\$ 373.0	\$ 999.2	\$ 1,043.6
<i>Adjusted EBITA Margin on Revenue before Billable Expenses %</i>	<i>15.8 %</i>	<i>16.5 %</i>	<i>14.5 %</i>	<i>15.9 %</i>
Restructuring Charges ¹	(5.8)	(3.5)	0.7	(2.4)
Adjusted EBITA before Restructuring Charges	\$ 356.2	\$ 369.5	\$ 999.9	\$ 1,041.2
<i>Adjusted EBITA before Restructuring Charges Margin on Revenue before Billable Expenses %</i>	<i>15.5 %</i>	<i>16.3 %</i>	<i>14.5 %</i>	<i>15.9 %</i>

¹ Restructuring charges of \$(5.8) and \$0.7 in the third quarter and first nine months of 2022, 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. Restructuring charges of \$(3.5) million and \$(2.4) million 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.

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 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 Charges³	\$ 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)
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 Stockholders⁵:					
Basic	\$ 0.61	\$ (0.04)	\$ 0.01	\$ 0.00	\$ 0.64
Diluted	\$ 0.60	\$ (0.04)	\$ 0.01	\$ 0.00	\$ 0.63

¹ Restructuring charges of \$(3.5) million 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 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)

	Nine Months Ended September 30, 2021					
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges ¹	Net Losses on Sales of Businesses ²	Loss on Early Extinguishment of Debt ³	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges⁴	\$ 978.9	\$ (64.7)	\$ 2.4			\$ 1,041.2
Total (Expenses) and Other Income ⁵	(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 Stockholders⁶:						
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 Restructuring charges of \$(2.4) million 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.

² 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.

³ Consists of a loss incurred in the first quarter of 2021 related to the early extinguishment of our 4.000% unsecured senior notes due 2022, 3.750% unsecured senior notes due 2023 and half of our 4.200% unsecured senior notes due 2024.

⁴ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page A5 in the appendix

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.

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.



THIRD QUARTER 2022
EARNINGS CONFERENCE CALL

Interpublic Group
October 21, 2022

Overview — Third Quarter 2022

- Total Revenue, which includes billable expenses, increased +3.8%, with +5.6% organic growth of Revenue before billable expenses ("net revenue")
 - Organic growth across all world regions
 - Three-year compound organic growth of +16.9% in the third quarter
- Net income as reported was \$251.8 million, with adjusted EBITA before restructuring charges of \$356.2 million
- Adjusted EBITA margin before restructuring charges on revenue before billable expenses was 15.5%
- Diluted EPS was \$0.64 as reported and adjusted diluted EPS was \$0.63
- Repurchased 2.6 million shares, using \$73.7 million

Organic change of Net Revenue, adjusted EBITA before Restructuring Charges and adjusted diluted EPS are non-GAAP measures. Management believes these metrics provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance. See our non-GAAP reconciliations of Organic Change of Net Revenue on pages 19-20 and adjusted results on pages 21-23 and 26-27.

Operating Performance

	Three Months Ended September 30,	
	2022	2021
Revenue Before Billable Expenses	\$ 2,296.2	\$ 2,261.7
Billable Expenses	341.5	280.3
Total Revenue	2,637.7	2,542.0
Salaries and Related Expenses	1,546.8	1,511.2
Office and Other Direct Expenses	327.9	300.9
Billable Expenses	341.5	280.3
Cost of Services	2,216.2	2,092.4
Selling, General and Administrative Expenses	18.5	32.2
Depreciation and Amortization	67.0	69.4
Restructuring Charges	(5.8)	(3.5)
Total Operating Expenses	2,295.9	2,190.5
Operating Income	341.8	351.5
Interest Expense, net	(27.9)	(35.5)
Other Income, net	17.5	2.3
Income Before Income Taxes	331.4	318.3
Provision for Income Taxes	76.4	73.9
Equity in Net Income of Unconsolidated Affiliates	2.5	0.2
Net Income	257.5	244.6
Net Income Attributable to Non-controlling Interests	(5.7)	(4.7)
Net Income Available to IPG Common Stockholders	\$ 251.8	\$ 239.9
Earnings per Share Available to IPG Common Stockholders - Basic	\$ 0.64	\$ 0.61
Earnings per Share Available to IPG Common Stockholders - Diluted	\$ 0.64	\$ 0.60
Weighted-Average Number of Common Shares Outstanding - Basic	390.6	393.5
Weighted-Average Number of Common Shares Outstanding - Diluted	394.1	399.8
Dividends Declared per Common Share	\$ 0.290	\$ 0.270

(\$ in Millions, except per share amounts)

Interpublic Group of Companies, Inc. — 3



Revenue Before Billable Expenses ⁽¹⁾

	Three Months Ended		Nine Months Ended	
	\$	% Change	\$	% Change
September 30, 2021	\$ 2,261.7		\$ 6,559.0	
Foreign currency	(82.1)	(3.6%)	(167.7)	(2.6%)
Net acquisitions/(divestitures)	(9.9)	(0.5%)	(31.4)	(0.4%)
Organic	126.5	5.6%	539.0	8.2%
Total change	34.5	1.5%	339.9	5.2%
September 30, 2022	\$ 2,296.2		\$ 6,898.9	

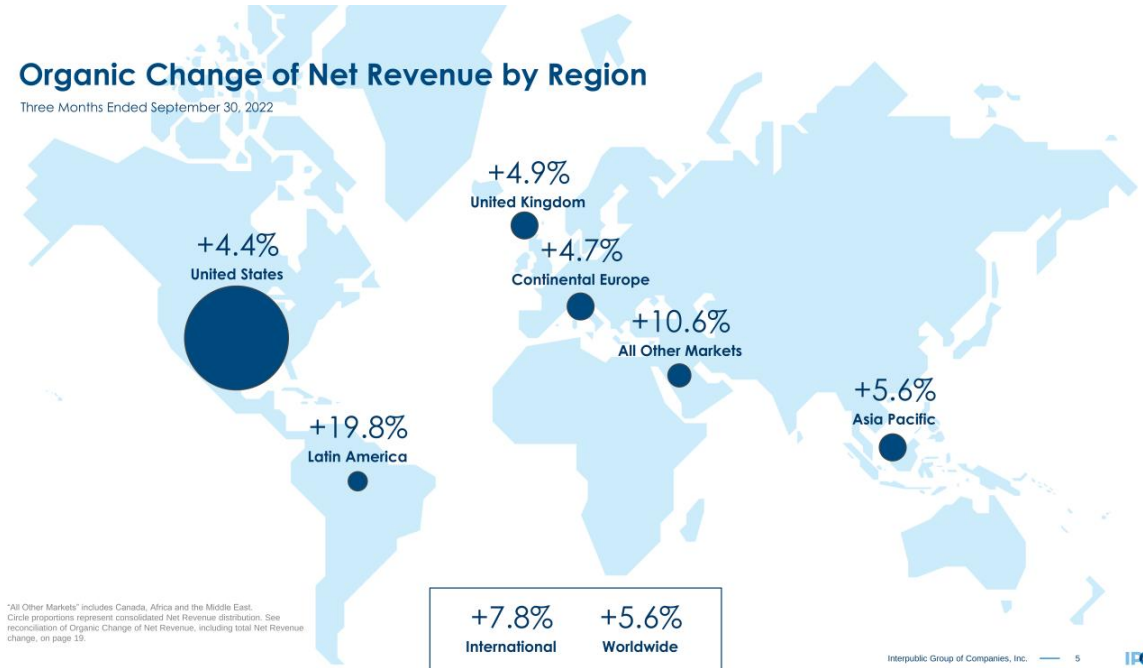
	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021 ⁽²⁾		Change		Change	
	\$		\$		Organic	Total	Organic	Total
Media, Data & Engagement Solutions	\$ 978.0	\$ 980.0	3.8%	(0.2%)	\$ 2,927.9	\$ 2,815.1	7.0%	4.0%
IPG Mediabrands, Acxiom, and Kinesso, and our digital and commerce specialist agencies, which include MRM, R/GA, and Huge								
Integrated Advertising & Creativity Led Solutions	\$ 973.3	\$ 951.2	6.7%	2.3%	\$ 2,941.1	\$ 2,789.7	8.7%	5.4%
McCann Worldgroup, IPG Health, MullenLowe Group, FCB, and our domestic integrated agencies								
Specialized Communications & Experiential Solutions	\$ 344.9	\$ 330.5	7.8%	4.4%	\$ 1,029.9	\$ 954.2	10.4%	7.9%
Weber Shandwick, Golin, our sports, entertainment and experiential agencies, and DXTRA Health								

⁽¹⁾ "Net Revenue".

⁽²⁾ Results for the three and nine months ended September 30, 2021, have been recast to reflect our new reportable segments. See reconciliation of Organic Change of Net Revenue on pages 19-20. (\$ in Millions)

Organic Change of Net Revenue by Region

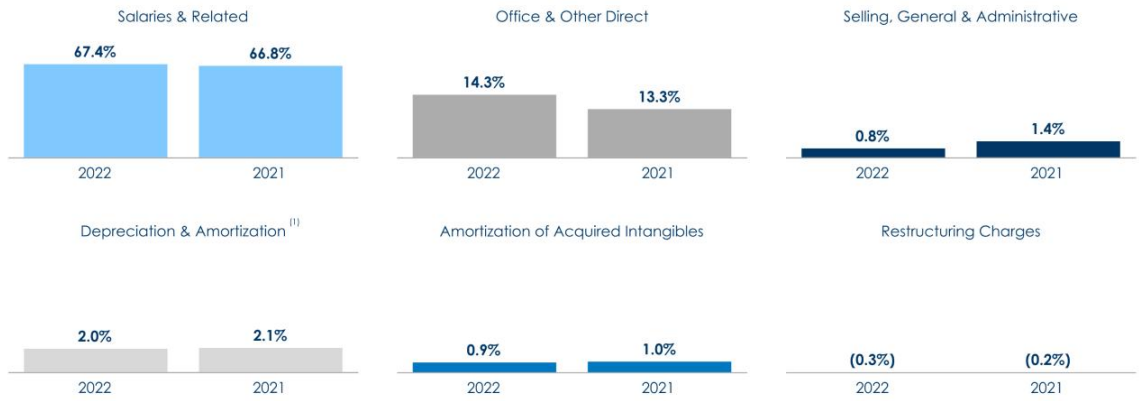
Three Months Ended September 30, 2022



All Other Markets includes Canada, Africa and the Middle East.
Circle proportions represent consolidated Net Revenue distribution. See reconciliation of Organic Change of Net Revenue, including total Net Revenue change, on page 19.

Operating Expenses % of Revenue Before Billable Expenses

Three Months Ended September 30



⁽¹⁾ Excludes amortization of acquired intangibles.

Adjusted Diluted Earnings Per Share

Three Months Ended September 30, 2022

	As Reported	Amortization of Acquired Intangibles	Restructuring Charges ⁽¹⁾	Net Gain on Business Dispositions ⁽²⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽³⁾	\$ 341.8	\$ (20.2)	\$ 5.8		\$ 356.2
Total (Expenses) and Other Income ⁽⁴⁾	(10.4)			\$ 15.1	(25.5)
Income Before Income Taxes	331.4	(20.2)	5.8	15.1	330.7
Provision for Income Taxes	76.4	4.2	(1.8)	0.1	78.9
Effective Tax Rate	23.1 %				23.9 %
Equity in Net Income of Unconsolidated Affiliates	2.5				2.5
Net Income Attributable to Non-controlling Interests	(5.7)				(5.7)
DILUTED EPS COMPONENTS:					
Net Income Available to IPG Common Stockholders	\$ 251.8	\$ (16.0)	\$ 4.0	\$ 15.2	\$ 248.6
Weighted-Average Number of Common Shares Outstanding	394.1				394.1
Earnings per Share Available to IPG Common Stockholders ⁽⁵⁾	\$ 0.64	\$ (0.04)	\$ 0.01	\$ 0.04	\$ 0.63

⁽¹⁾ Restructuring charges of (\$5.8) in the third 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 relates to a cash gain in the third quarter of 2022 related to the sale of an equity investment, as well as gains on 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 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.

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

Nine Months Ended September 30, 2022

	As Reported	Amortization of Acquired Intangibles	Restructuring Charges ⁽¹⁾	Net Gain on Business Dispositions ⁽²⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽³⁾	\$ 936.6	\$ (62.6)	\$ (0.7)		\$ 999.9
Total (Expenses) and Other Income ⁽⁴⁾	(80.5)			\$ 4.5	(85.0)
Income Before Income Taxes	856.1	(62.6)	(0.7)	4.5	914.9
Provision for Income Taxes	209.2	12.7	(0.2)	0.1	221.8
Effective Tax Rate	24.4 %				24.2 %
Equity in Net Income of Unconsolidated Affiliates	3.3				3.3
Net Income Attributable to Non-controlling Interests	(9.4)				(9.4)
DILUTED EPS COMPONENTS:					
Net Income Available to IPG Common Stockholders	\$ 640.8	\$ (49.9)	\$ (0.9)	\$ 4.6	\$ 687.0
Weighted-Average Number of Common Shares Outstanding	396.2				396.2
Earnings per Share Available to IPG Common Stockholders ⁽⁵⁾	\$ 1.62	\$ (0.13)	\$ 0.00	\$ 0.01	\$ 1.73

- ⁽¹⁾ Restructuring charges of \$0.7 in the first nine months 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 cash gain in the first nine months of 2022 related to the sale of an equity investment, partially offset by a non-cash loss related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity investment, as well as losses on 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 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. 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 September 30,	
	2022	2021
Net Income	\$ 257.5	\$ 244.6
OPERATING ACTIVITIES:		
Depreciation & amortization	80.5	86.1
Deferred taxes	26.1	(12.0)
Net (gains) losses on sales of businesses	(3.1)	4.4
Other non-cash items	(18.0)	(7.1)
Change in working capital, net	(276.1)	79.6
Change in other non-current assets & liabilities	(1.3)	(5.4)
Net cash provided by Operating Activities	65.6	390.2
INVESTING ACTIVITIES:		
Capital expenditures	(46.2)	(61.3)
Deconsolidation of a subsidiary	—	(16.3)
Net proceeds from investments	—	3.9
Other investing activities	9.8	1.7
Net cash used in Investing Activities	(36.4)	(72.0)
FINANCING ACTIVITIES:		
Common stock dividends	(113.0)	(106.2)
Repurchases of common stock	(73.7)	—
Net decrease in short-term borrowings	(15.7)	(25.2)
Distributions to noncontrolling interests	(4.4)	(2.1)
Acquisition-related payments	(2.4)	(15.7)
Tax payments for employee shares withheld	(0.3)	(1.0)
Other financing activities	(0.3)	(3.1)
Net cash used in Financing Activities	(209.8)	(153.3)
Currency effect	(30.4)	(12.4)
Net (decrease) increase in cash, cash equivalents and restricted cash	\$ (211.0)	\$ 152.5

(\$ in Millions)

Interpublic Group of Companies, Inc. 9



Balance Sheet — Current Portion

	September 30, 2022	December 31, 2021	September 30, 2021
CURRENT ASSETS:			
Cash and cash equivalents	\$ 1,768.3	\$ 3,270.0	\$ 2,490.0
Accounts receivable, net	4,121.1	5,177.7	4,042.5
Accounts receivable, billable to clients	2,158.0	2,347.2	2,150.4
Assets held for sale	16.2	8.2	3.5
Other current assets	471.3	428.7	446.5
Total current assets	\$ 8,534.9	\$ 11,231.8	\$ 9,132.9
CURRENT LIABILITIES:			
Accounts payable	\$ 6,535.6	\$ 8,960.0	\$ 6,844.2
Accrued liabilities	669.3	918.1	760.4
Contract liabilities	659.8	688.5	622.2
Short-term borrowings	55.8	47.5	44.1
Current portion of long-term debt	0.6	0.7	500.4
Current portion of operating leases	237.8	265.8	270.1
Liabilities held for sale	10.3	9.4	7.6
Total current liabilities	\$ 8,169.2	\$ 10,890.0	\$ 9,049.0

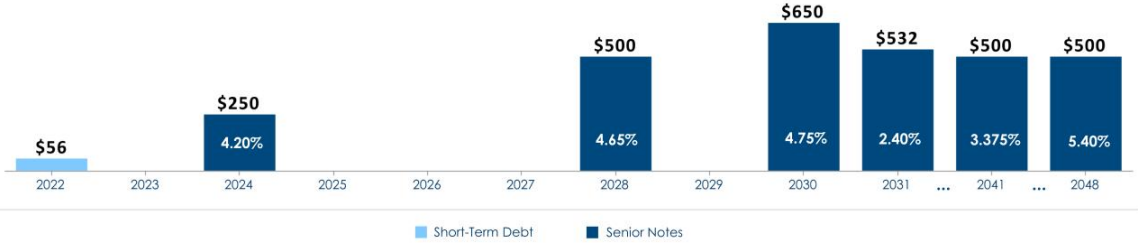
(\$ in Millions)

Interpublic Group of Companies, Inc. 10



Debt Maturity Schedule

Total Debt = \$3.0 billion



(\$ in Millions)

Summary

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



Appendix

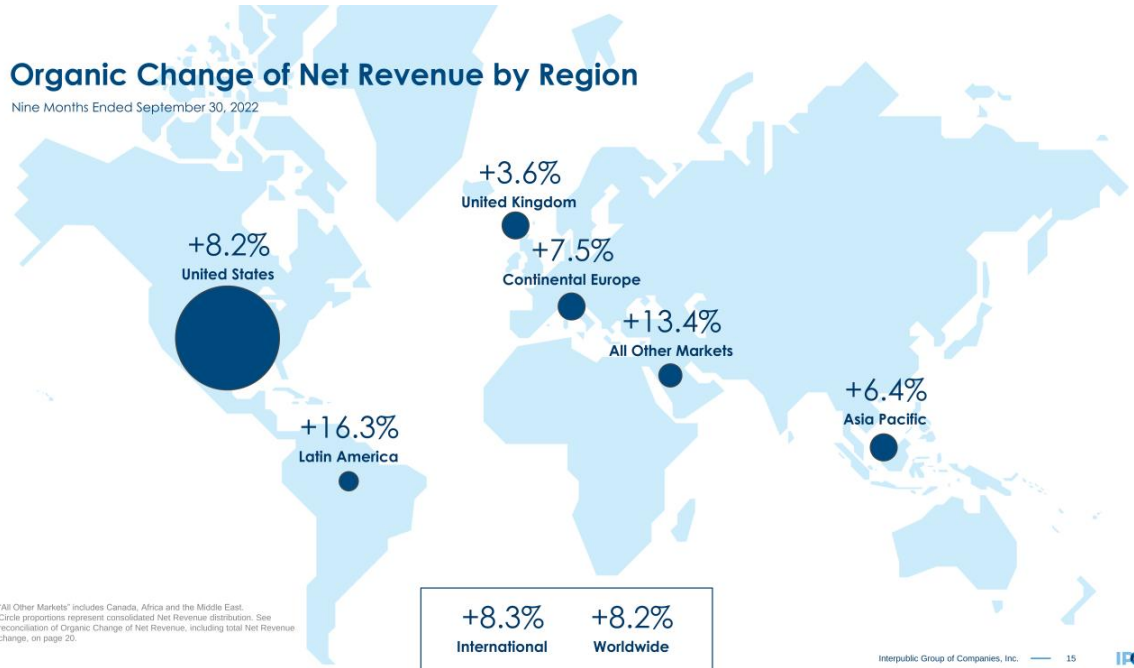
Operating Performance

	Nine Months Ended September 30,	
	2022	2021
Revenue Before Billable Expenses	\$ 6,898.9	\$ 6,559.0
Billable Expenses	1,043.0	749.6
Total Revenue	7,941.9	7,308.6
Salaries and Related Expenses	4,701.4	4,389.2
Office and Other Direct Expenses	1,001.1	894.8
Billable Expenses	1,043.0	749.6
Cost of Services	6,745.5	6,033.6
Selling, General and Administrative Expenses	57.2	89.8
Depreciation and Amortization	201.9	206.7
Restructuring Charges	0.7	(2.4)
Total Operating Expenses	7,005.3	6,329.7
Operating Income	936.6	978.9
Interest Expense, net	(87.3)	(113.2)
Other Income (Expense), net ⁽¹⁾	6.8	(76.9)
Income Before Income Taxes	856.1	788.8
Provision for Income Taxes	209.2	184.4
Equity in Net Income of Unconsolidated Affiliates	3.3	0.4
Net Income	650.2	604.8
Net Income Attributable to Non-controlling Interests	(9.4)	(9.9)
Net Income Available to IPG Common Stockholders	\$ 640.8	\$ 594.9
Earnings per Share Available to IPG Common Stockholders - Basic	\$ 1.63	\$ 1.51
Earnings per Share Available to IPG Common Stockholders - Diluted	\$ 1.62	\$ 1.49
Weighted-Average Number of Common Shares Outstanding - Basic	392.7	392.8
Weighted-Average Number of Common Shares Outstanding - Diluted	396.2	398.3
Dividends Declared per Common Share	\$ 0.870	\$ 0.810

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

Organic Change of Net Revenue by Region

Nine Months Ended September 30, 2022



All Other Markets includes Canada, Africa and the Middle East.
Circle proportions represent consolidated Net Revenue distribution. See reconciliation of Organic Change of Net Revenue, including total Net Revenue change, on page 20.

Operating Expenses % of Revenue Before Billable Expenses

Nine Months Ended September 30



⁽¹⁾ Excludes amortization of acquired intangibles.

Cash Flow

		Nine Months Ended September 30,	
		2022	2021
Net Income		\$ 650.2	\$ 604.8
OPERATING ACTIVITIES:	Depreciation & amortization	242.1	271.4
	Deferred taxes	26.0	34.6
	Net losses on sales of businesses	4.0	18.6
	Loss on early extinguishment of debt	—	74.0
	Other non-cash items	(4.7)	(4.4)
	Change in working capital, net	(1,523.6)	(315.7)
	Change in other non-current assets & liabilities	(52.8)	(74.7)
	Net cash (used in) provided by Operating Activities	(658.8)	608.6
INVESTING ACTIVITIES:	Capital expenditures	(118.5)	(123.4)
	Deconsolidation of a subsidiary	(20.4)	(16.3)
	Net proceeds from investments	2.6	32.7
	Other investing activities	10.1	(8.1)
	Net cash used in Investing Activities	(126.2)	(115.1)
FINANCING ACTIVITIES:	Common stock dividends	(345.1)	(321.4)
	Repurchases of common stock	(221.6)	—
	Tax payments for employee shares withheld	(39.9)	(25.0)
	Net decrease in short-term borrowings	(27.8)	(9.4)
	Distributions to noncontrolling interests	(9.6)	(9.0)
	Acquisition-related payments	(8.4)	(28.0)
	Proceeds from long-term debt	0.0	998.1
	Exercise of stock options	0.0	8.0
	Early extinguishment of long-term debt	—	(1,066.8)
	Other financing activities	(0.5)	(14.3)
	Net cash used in Financing Activities	(652.9)	(467.8)
		(59.2)	(40.3)
Net decrease in cash, cash equivalents and restricted cash		\$ (1,497.1)	\$ (14.6)

(\$ in Millions)

Interpublic Group of Companies, Inc. 17



Depreciation and Amortization

	2022				
	Q1	Q2	Q3	Q4	YTD 2022
Depreciation and amortization ⁽¹⁾	\$ 46.5	\$ 46.0	\$ 46.8		\$ 139.3
Amortization of acquired intangibles	21.3	21.1	20.2		62.6
Amortization of restricted stock and other non-cash compensation	12.5	12.8	12.7		38.0
Net amortization of bond discounts and deferred financing costs	0.7	0.7	0.8		2.2

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

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

Reconciliation of Organic Change of Net Revenue

		Three Months Ended September 30, 2021	Components of Change			Three Months Ended September 30, 2022	Change	
			Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
SEGMENT:	Media, Data & Engagement Solutions ^{(1) (2)}	\$ 980.0	\$ (39.1)	\$ —	\$ 37.1	\$ 978.0	3.8%	(0.2%)
	Integrated Advertising & Creativity Led Solutions ^{(1) (3)}	951.2	(31.7)	(9.8)	63.6	973.3	6.7%	2.3%
	Specialized Communications & Experiential Solutions ^{(1) (4)}	330.5	(11.3)	(0.1)	25.8	344.9	7.8%	4.4%
	Total	\$ 2,261.7	\$ (82.1)	\$ (9.9)	\$ 126.5	\$ 2,296.2	5.6%	1.5%
GEOGRAPHIC:	United States	\$ 1,459.3	\$ —	\$ —	\$ 63.7	\$ 1,523.0	4.4%	4.4%
	International	802.4	(82.1)	(9.9)	62.8	773.2	7.8%	(3.6%)
	United Kingdom	195.1	(28.2)	—	9.6	176.5	4.9%	(9.5%)
	Continental Europe	178.1	(26.3)	—	8.3	160.1	4.7%	(10.1%)
	Asia Pacific	192.0	(15.7)	—	10.8	187.1	5.6%	(2.6%)
	Latin America	96.3	(6.7)	(1.3)	19.1	107.4	19.8%	11.5%
	All Other Markets	140.9	(5.2)	(8.6)	15.0	142.1	10.6%	0.9%
	Worldwide	\$ 2,261.7	\$ (82.1)	\$ (9.9)	\$ 126.5	\$ 2,296.2	5.6%	1.5%

⁽¹⁾ Results for three month ended September 30, 2022 have been recast to reflect our new reportable segments.
⁽²⁾ Comprised of IPG Mediabrands, Acxiom, and Kinesso, and our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.
⁽³⁾ Comprised of McCann Worldgroup, IPG Health, MullerLowe Group, Foote, Cone & Belding ("FCB"), and our domestic integrated agencies.
⁽⁴⁾ Comprised of Weber Shandwick, Golin, our sports, entertainment and experiential agencies, and DXTRA Health.
(\$ in Millions)

Reconciliation of Organic Change of Net Revenue

		Nine Months Ended September 30, 2021	Components of Change			Nine Months Ended September 30, 2022	Change	
			Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
SEGMENT:	Media, Data & Engagement Solutions ^{(1) (2)}	\$ 2,815.1	\$ (83.0)	\$ (0.2)	\$ 196.0	\$ 2,927.9	7.0%	4.0%
	Integrated Advertising & Creativity Led Solutions ^{(1) (3)}	2,789.7	(62.5)	(29.7)	243.6	2,941.1	8.7%	5.4%
	Specialized Communications & Experiential Solutions ^{(1) (4)}	954.2	(22.2)	(1.5)	99.4	1,029.9	10.4%	7.9%
	Total	\$ 6,559.0	\$ (167.7)	\$ (31.4)	\$ 539.0	\$ 6,898.9	8.2%	5.2%
GEOGRAPHIC:	United States	\$ 4,204.6	\$ —	\$ —	\$ 343.4	\$ 4,548.0	8.2%	8.2%
	International	2,354.4	(167.7)	(31.4)	195.6	2,350.9	8.3%	(0.1%)
	United Kingdom	573.7	(50.9)	—	20.9	543.7	3.6%	(5.2%)
	Continental Europe	559.4	(62.0)	—	41.8	539.2	7.5%	(3.6%)
	Asia Pacific	553.6	(34.0)	(5.7)	35.6	549.5	6.4%	(0.7%)
	Latin America	268.6	(12.4)	(3.0)	43.8	297.0	16.3%	10.6%
	All Other Markets	399.1	(8.4)	(22.7)	53.5	421.5	13.4%	5.6%
	Worldwide	\$ 6,559.0	\$ (167.7)	\$ (31.4)	\$ 539.0	\$ 6,898.9	8.2%	5.2%

⁽¹⁾ Results for nine month ended September 30, 2021 have been recast to reflect our new reportable segments.
⁽²⁾ Comprised of IPG Mediabrands, Axion, and Kinesso, and our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.
⁽³⁾ Comprised of McCann Worldgroup, IPG Health, MullerLowe Group, Foote, Cone & Belding ("FCB"), and our domestic integrated agencies.
⁽⁴⁾ Comprised of Weber Shandwick, Galin, our sports, entertainment and experiential agencies, and DXTRA Health.
(\$ in Millions)

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended September 30, 2022				
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges ⁽²⁾	Net Gain on Business Dispositions ⁽³⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽⁴⁾	\$ 341.8	\$ (20.2)	\$ 5.8		\$ 356.2
Total (Expenses) and Other Income ⁽⁵⁾	(10.4)			\$ 15.1	(25.5)
Income Before Income Taxes	331.4	(20.2)	5.8	15.1	330.7
Provision for Income Taxes	76.4	4.2	(1.8)	0.1	78.9
Effective Tax Rate	23.1 %				23.9 %
Equity in Net Income of Unconsolidated Affiliates	2.5				2.5
Net Income Attributable to Non-controlling Interests	(5.7)				(5.7)
Net Income Available to IPG Common Stockholders	\$ 251.8	\$ (16.0)	\$ 4.0	\$ 15.2	\$ 248.6
Weighted-Average Number of Common Shares Outstanding - Basic	390.6				390.6
Dilutive effect of stock options and restricted shares	3.5				3.5
Weighted-Average Number of Common Shares Outstanding - Diluted	394.1				394.1
Earnings per Share Available to IPG Common Stockholders ⁽⁶⁾:					
Basic	\$ 0.64	\$ (0.04)	\$ 0.01	\$ 0.04	\$ 0.64
Diluted	\$ 0.64	\$ (0.04)	\$ 0.01	\$ 0.04	\$ 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 (\$5.9) in the third 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 relates to a cash gain in the third quarter of 2022 related to the sale of an equity investment, as well as gains on 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⁾

	Nine Months Ended September 30, 2022				
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges ⁽²⁾	Net Gain on Business Dispositions ⁽³⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽⁴⁾	\$ 936.6	\$ (62.6)	\$ (0.7)		\$ 999.9
Total (Expenses) and Other Income ⁽⁵⁾	(80.5)			\$ 4.5	(85.0)
Income Before Income Taxes	856.1	(62.6)	(0.7)	4.5	914.9
Provision for Income Taxes	209.2	12.7	(0.2)	0.1	221.8
Effective Tax Rate	24.4 %				24.2 %
Equity in Net Income of Unconsolidated Affiliates	3.3				3.3
Net Income Attributable to Non-controlling Interests	(9.4)				(9.4)
Net Income Available to IPG Common Stockholders	\$ 640.8	\$ (49.9)	\$ (0.9)	\$ 4.6	\$ 687.0
Weighted-Average Number of Common Shares Outstanding - Basic	392.7				392.7
Dilutive effect of stock options and restricted shares	3.5				3.5
Weighted-Average Number of Common Shares Outstanding - Diluted	396.2				396.2
Earnings per Share Available to IPG Common Stockholders ⁽⁶⁾:					
Basic	\$ 1.63	\$ (0.13)	\$ 0.00	\$ 0.01	\$ 1.75
Diluted	\$ 1.62	\$ (0.13)	\$ 0.00	\$ 0.01	\$ 1.73

⁽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 \$0.7 in the first nine months 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 cash gain in the first nine months of 2022 related to the sale of an equity investment, partially offset by a non-cash loss related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity investment, as well as losses on 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 EBITA ⁽¹⁾

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue Before Billable Expenses	\$ 2,296.2	\$ 2,261.7	\$ 6,898.9	\$ 6,559.0
Non-GAAP Reconciliation:				
Net Income Available to IPG Common Stockholders	\$ 251.8	\$ 239.9	\$ 640.8	\$ 594.9
Add Back:				
Provision for Income Taxes	76.4	73.9	209.2	184.4
Subtract:				
Total (Expenses) and Other Income ⁽²⁾	(10.4)	(33.2)	(80.5)	(190.1)
Equity in Net Income of Unconsolidated Affiliates	2.5	0.2	3.3	0.4
Net Income Attributable to Non-controlling Interests	(5.7)	(4.7)	(9.4)	(9.9)
Operating Income	\$ 341.8	\$ 351.5	\$ 936.6	\$ 978.9
Add Back:				
Amortization of Acquired Intangibles	20.2	21.5	62.6	64.7
Adjusted EBITA	\$ 362.0	\$ 373.0	\$ 999.2	\$ 1,043.6
Adjusted EBITA Margin on Revenue Before Billable Expenses %	15.8 %	16.5 %	14.5 %	15.9 %
Restructuring Charges ⁽³⁾	(5.8)	(3.5)	0.7	(2.4)
Adjusted EBITA before Restructuring Charges	\$ 356.2	\$ 369.5	\$ 999.9	\$ 1,041.2
Adjusted EBITA before Restructuring Charges Margin on Revenue Before Billable Expenses %	15.5 %	16.3 %	14.5 %	15.9 %

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

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

⁽³⁾ Restructuring charges of \$(5.8) and \$(3.5) in the third quarter of 2022 and 2021, respectively, and \$0.7 and \$(2.4) in the first nine months of 2022 and 2021, respectively, were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business. (\$ in Millions)

Adjusted EBITA before Restructuring Charges by Segment ⁽¹⁾

	Media, Data & Engagement Solutions ⁽²⁾		Integrated Advertising & Creativity Led Solutions ⁽³⁾		Specialized Communications & Experiential Solutions ⁽⁴⁾		Corporate and Other ⁽⁵⁾		IPG Consolidated ⁽¹⁾	
	Three Months Ended September 30,		Three Months Ended September 30,		Three Months Ended September 30,		Three Months Ended September 30,		Three Months Ended September 30,	
	2022	2021 ⁽⁶⁾	2022	2021 ⁽⁶⁾	2022	2021 ⁽⁶⁾	2022	2021 ⁽⁶⁾	2022	2021 ⁽⁶⁾
Revenue Before Billable Expenses	\$ 978.0	\$ 980.0	\$ 973.3	\$ 951.2	\$ 344.9	\$ 330.5			\$ 2,296.2	\$ 2,261.7
Segment/Adjusted EBITA	\$ 160.9	\$ 198.5	\$ 157.3	\$ 152.7	\$ 63.8	\$ 54.1	\$ (20.0)	\$ (32.3)	\$ 362.0	\$ 373.0
Restructuring Charges ⁽⁷⁾	—	(0.4)	—	(0.2)	(5.8)	(0.6)	—	(2.3)	(5.8)	(3.5)
Segment/Adjusted EBITA before Restructuring Charges	\$ 160.9	\$ 198.1	\$ 157.3	\$ 152.5	\$ 58.0	\$ 53.5	\$ (20.0)	\$ (34.6)	\$ 356.2	\$ 369.5
Margin (%) of Revenue Before Billable Expenses	16.5 %	20.2 %	16.2 %	16.0 %	16.8 %	16.2 %			15.5 %	16.3 %

⁽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 Kinesso, as well as our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.

⁽³⁾ Comprised of McCann Worldgroup, IPG Health, MillenLowe 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 September 30, 2021 have been recast to reflect our new reportable segments.

⁽⁷⁾ Restructuring charges are related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

(\$ in Millions)

Adjusted EBITA before Restructuring Charges by Segment ⁽¹⁾

	Media, Data & Engagement Solutions ⁽²⁾		Integrated Advertising & Creativity Led Solutions ⁽³⁾		Specialized Communications & Experiential Solutions ⁽⁴⁾		Corporate and Other ⁽⁵⁾		IPG Consolidated ⁽¹⁾	
	Nine Months Ended September 30,		Nine Months Ended September 30,		Nine Months Ended September 30,		Nine Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 ⁽⁶⁾	2022	2021 ⁽⁶⁾	2022	2021 ⁽⁶⁾	2022	2021 ⁽⁶⁾	2022	2021 ⁽⁶⁾
Revenue Before Billable Expenses	\$ 2,927.9	\$ 2,815.1	\$ 2,941.1	\$ 2,789.7	\$ 1,029.9	\$ 954.2			\$ 6,898.9	\$ 6,559.0
Segment/Adjusted EBITA	\$ 416.9	\$ 535.9	\$ 464.9	\$ 453.7	\$ 179.3	\$ 148.0	\$ (61.9)	\$ (94.0)	\$ 999.2	\$ 1,043.6
Restructuring Charges ⁽⁷⁾	—	(0.2)	6.0	(0.2)	(5.4)	0.2	0.1	(2.2)	0.7	(2.4)
Segment/Adjusted EBITA before Restructuring Charges	\$ 416.9	\$ 535.7	\$ 470.9	\$ 453.5	\$ 173.9	\$ 148.2	\$ (61.8)	\$ (96.2)	\$ 999.9	\$ 1,041.2
Margin (%) of Revenue Before Billable Expenses	14.2 %	19.0 %	16.0 %	16.3 %	16.9 %	15.5 %			14.5 %	15.9 %

⁽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, Acision, and Kinesco, as well as 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 nine months ended September 30, 2021 have been recast to reflect our new reportable segments.

⁽⁷⁾ Restructuring charges are related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

(\$ in Millions)

Reconciliation of Adjusted Results ⁽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
Effective Tax Rate	23.2 %				23.3 %
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 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⁾

	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
Effective Tax Rate	23.4 %					23.2 %
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 page 23.

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

⁽⁷⁾ Earnings per share amounts calculated on an unrounded basis.

(\$ in Millions, except per share amounts)



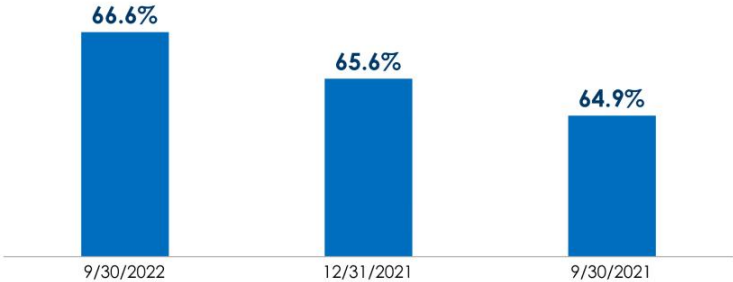
Metrics Update

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		

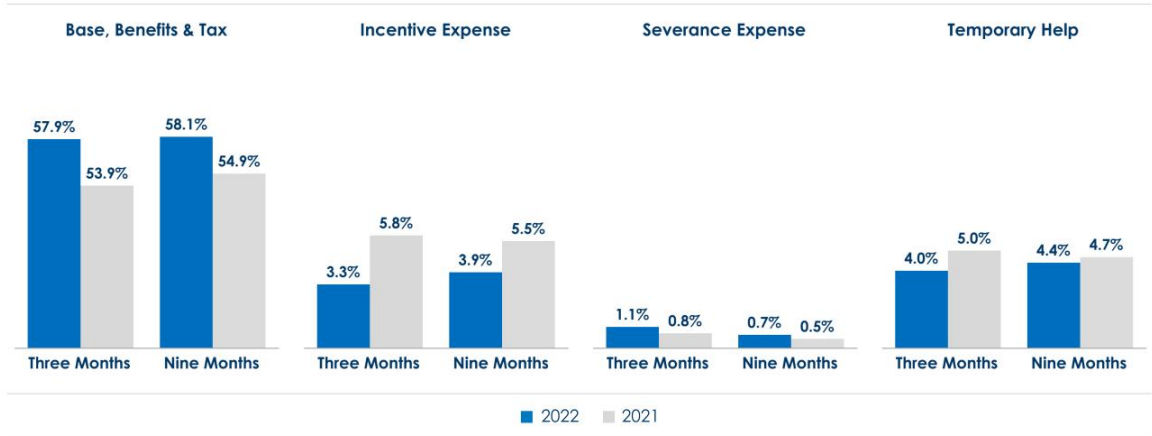
Salaries & Related Expenses

% of Revenue Before Billable Expenses, Trailing Twelve Months



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

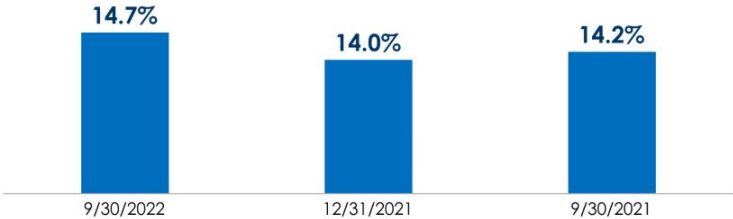
Three and Nine Months Ended September 30



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

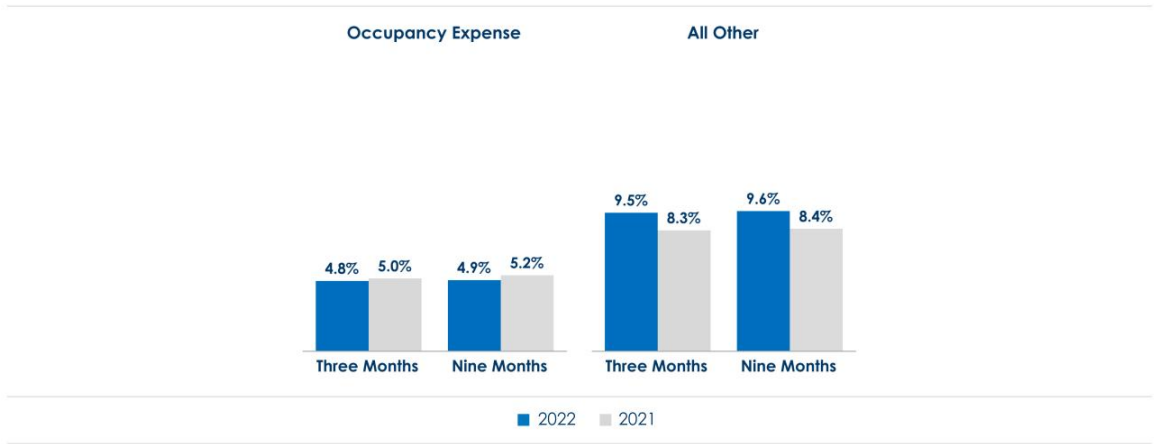
Office & Other Direct Expenses

% of Revenue Before Billable Expenses, Trailing Twelve Months



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

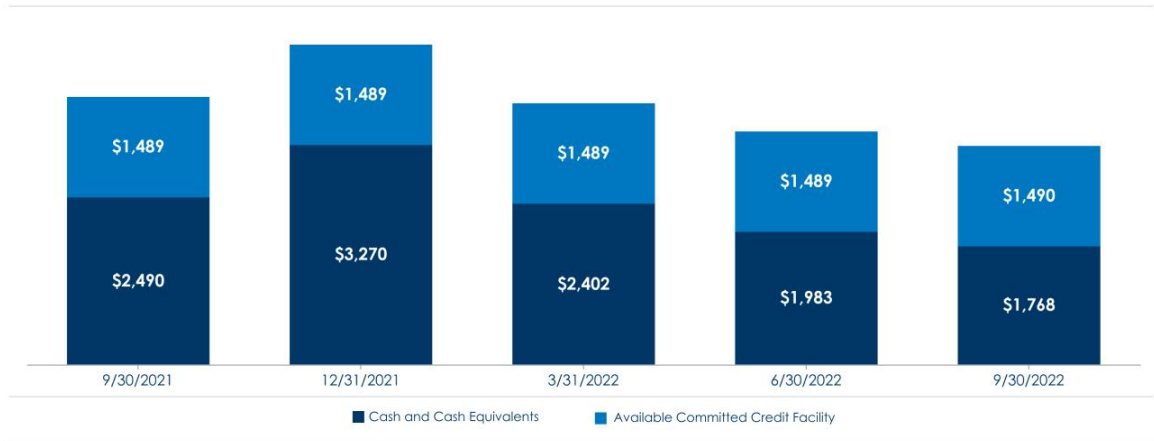
Three and Nine Months Ended September 30



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



(\$ in Millions)

Interpublic Group of Companies, Inc. 34



Credit Facility Covenant ⁽¹⁾

Financial Covenant	Four Quarters Ended September 30, 2022
Leverage Ratio (not greater than) ⁽²⁾	3.50x
Actual Leverage Ratio	1.70x
CREDIT AGREEMENT EBITDA RECONCILIATION:	
Four Quarters Ended September 30, 2022	
Net Income Available to IPG Common Stockholders	\$ 998.7
+ Non-Operating Adjustments ⁽³⁾	395.2
Operating Income	\$ 1,393.9
+ Depreciation and Amortization	331.2
+ Other Non-cash Charges Reducing Operating Income	11.5
Credit Agreement EBITDA ⁽²⁾:	\$ 1,736.6

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

(\$ in Millions)

Cautionary Statement

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

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

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

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

