

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Form 10-Q

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

For the quarterly period ended June 30, 2025

or

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

Commission file number: 1-6686



## THE INTERPUBLIC GROUP OF COMPANIES, INC.

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**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)

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

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

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

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

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

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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

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

The number of shares of the registrant's common stock outstanding as of July 18, 2025 was 366,266,390.

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

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

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to help you understand The Interpublic Group of Companies, Inc. and its subsidiaries (the “Company,” “IPG,” “we,” “us” or “our”). MD&A should be read in conjunction with our unaudited Consolidated Financial Statements and the accompanying notes included in this report and our Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Annual Report”), as well as our other reports and filings with the Securities and Exchange Commission (the “SEC”). Our 2024 Annual Report includes additional information about our significant accounting policies and practices as well as details about the most significant risks and uncertainties associated with our financial and operating results. Our MD&A includes the following sections:

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

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

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

CRITICAL ACCOUNTING ESTIMATES provides an update to the discussion in our 2024 Annual Report of our accounting policies that require critical judgment, assumptions and estimates.

RECENT ACCOUNTING STANDARDS, by reference to Note 15 to the unaudited Consolidated Financial Statements, provides a discussion of certain accounting standards that have been recently adopted or that have not yet been required to be implemented and may be applicable to our future operations.

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

**EXECUTIVE SUMMARY**

***Our Business***

We provide marketing, communications and business transformation services that measurably drive growth for businesses and brands. Combining the power of creativity and technology, our approximately 51,300 employees and operations span all major world markets. Our companies specialize in insights, data, media, creative and production, digital commerce, healthcare marketing and communications, producing marketing solutions for clients that range in scale from large global marketers to regional and local clients. Our comprehensive global services help marketers build brands, increase sales of their products and services, and gain market share.

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

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

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

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

***Proposed Omnicom Transaction***

On December 8, 2024, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Omnicom Group Inc. ("Omnicom"), pursuant to which an Omnicom merger subsidiary will merge with and into IPG, with IPG surviving the merger as a direct wholly owned subsidiary of Omnicom.

As a result of the merger, each share of IPG common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.344 shares of Omnicom common stock. The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to closing the merger.

If the transaction is completed, following the closing Omnicom shareholders will own 60.6% of the combined company and IPG shareholders will own 39.4%, on a fully diluted basis. As a result of the merger, we will cease to be a publicly traded company.

We believe the combined company will bring together the industry's deepest bench of marketing talent, and the broadest and most innovative services and products, driven by the most advanced sales and marketing platform. Together, the companies will expand their capacity to create comprehensive full-funnel solutions that deliver better outcomes for the world's most sophisticated clients. We anticipate the combined company will have over 100,000 expert practitioners, delivering end-to-end services across media, precision marketing, CRM, data, digital commerce, advertising, healthcare, public relations and branding.

On March 18, 2025, the shareholders of Omnicom and Interpublic each approved the acquisition of Interpublic at each company's special meeting of stockholders held that day.

On June 23, 2025, we announced that the U.S. Federal Trade Commission (the "FTC") had concluded its antitrust review of Omnicom's proposed acquisition of Interpublic and reached agreement with Omnicom and IPG on a mutually acceptable consent order. With the agreed consent order, the FTC granted early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The consent order is now subject to a 30-day public comment period and then final acceptance by the FTC. The acquisition remains under review in certain non-U.S. jurisdictions.

We also face risks related to our proposed transaction with Omnicom, including as a result of any failure to complete, or delays in completing, the proposed transaction. The closing of the merger is subject to the satisfaction of customary closing conditions, including receipt of required regulatory approvals. Furthermore, uncertainty about the mergers may adversely affect relationships with our clients, partners, suppliers, and employees, whether or not the merger transactions are completed, and if the transaction is completed, the combined company may not perform as we currently expect. See Item 1A, Risk Factors, in our most recent Annual Report on Form 10-K.

***Current Market Conditions***

The global macroeconomic backdrop continues to be characterized by complex and dynamic developments, due to active business, economic and geopolitical crosscurrents. Shifting economic developments in the first half of the year, both domestically and among the largest global economic actors, have introduced a greater measure of caution to the global economy, though with impacts that may vary widely by sector and individual client. Several trends continue to support the demand for our services, notably proliferating media complexity and the ongoing evolution, at pace, of consumer interaction with brands and commerce. These trends offer significant long-term support to our growth opportunities, while our ability to leverage our agile and flexible operating model enables us to adapt to changing macro circumstances.

The principal macroeconomic risks to our performance include the impact of any general or regional economic slowdown or contraction, the extent of inflation of labor costs and potential for labor shortages, continuing inflationary pressures on our clients and their customers, and the economic impacts of geopolitical conflict and resulting potential for uncertainty and

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

restrictions on spending on the part of some clients and consumers. See Item 1A, *Risk Factors*, in our most recent Annual Report on Form 10-K.

***Our Financial Information***

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

The change in our operating performance attributable to changes in foreign currency rates is determined by converting the prior-period reported results using the current-period exchange rates and comparing these prior-period adjusted amounts to the prior-period reported results. Although the U.S. Dollar is our reporting currency, a substantial portion of our revenues and expenses are generated in foreign currencies. Therefore, our reported results are affected by fluctuations in the currencies in which we conduct our international businesses. Our exposure is mitigated as the majority of our revenues and expenses in any given market are generally denominated in the same currency. Both positive and negative currency fluctuations against the U.S. Dollar affect our consolidated results of operations, and the magnitude of the foreign currency impact to our operations related to each geographic region depends on the significance and operating performance of the region. The foreign currencies that most adversely impacted our results during the first half of 2025 were the Mexican Peso, the Brazilian Real, and the Canadian Dollar. The foreign currencies that most favorably impacted our results during the first half of 2025 were the British Pound Sterling and the Euro.

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

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

Results for the three and six months ended June 30, 2025, may not be indicative of the results that may be expected for the fiscal year ending December 31, 2025. The Consolidated Financial Statements and MD&A presented herein reflect the latest estimates and assumptions made by us that affect the reported amounts of assets and liabilities and related disclosures as of the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting periods presented. We believe we have used reasonable estimates and assumptions to assess the fair values of the Company's goodwill, long-lived assets and indefinite-lived intangible assets; assessment of the annual effective tax rate; valuation of deferred income taxes and the allowance for expected credit losses on future uncollectible accounts receivable. If actual market conditions vary significantly from those currently projected, these estimates and assumptions could materially change resulting in adjustments to the carrying values of our assets and liabilities.

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

The following table presents a summary of our financial performance for the three and six months ended June 30, 2025 and 2024.

<b>Statement of Operations Data</b>	<b>Three months ended June 30,</b>			<b>Six months ended June 30,</b>		
	<b>2025</b>	<b>2024</b>	<b>% Increase/ (Decrease)</b>	<b>2025</b>	<b>2024</b>	<b>% Increase/ (Decrease)</b>
<b>REVENUE:</b>						
Revenue before billable expenses	\$ 2,172.7	\$ 2,327.1	(6.6)%	\$ 4,169.0	\$ 4,510.0	(7.6)%
Billable expenses	364.1	382.9	(4.9)%	690.4	695.9	(0.8)%
Total revenue	<u>\$ 2,536.8</u>	<u>\$ 2,710.0</u>	(6.4)%	<u>\$ 4,859.4</u>	<u>\$ 5,205.9</u>	(6.7)%
<b>OPERATING INCOME <sup>1</sup></b>	\$ 243.7	\$ 318.2	(23.4)%	\$ 201.7	\$ 502.4	(59.9)%
<b>Adjusted EBITA <sup>1,2</sup></b>	\$ 264.8	\$ 338.6	(21.8)%	\$ 243.2	\$ 543.5	(55.3)%
<b>NET INCOME AVAILABLE TO IPG COMMON STOCKHOLDERS</b>	\$ 162.5	\$ 214.5		\$ 77.1	\$ 324.9	
<b>Earnings per share available to IPG common stockholders:</b>						
Basic	\$ 0.44	\$ 0.57		\$ 0.21	\$ 0.86	
Diluted	\$ 0.44	\$ 0.57		\$ 0.21	\$ 0.86	
<b>Operating Ratios</b>						
<b>Organic change in revenue before billable expenses</b>	(3.5)%	1.7 %		(3.6)%	1.5 %	
<b>Operating margin on revenue before billable expenses</b>	11.2 %	13.7 %		4.8 %	11.1 %	
<b>Operating margin on total revenue</b>	9.6 %	11.7 %		4.2 %	9.7 %	
<b>Adjusted EBITA margin on revenue before billable expenses <sup>1,2</sup></b>	12.2 %	14.6 %		5.8 %	12.1 %	
<b>Expenses as a % of revenue before billable expenses:</b>						
Salaries and related expenses	63.4 %	66.9 %		67.0 %	69.4 %	
Office and other direct expenses	15.0 %	15.4 %		15.5 %	15.1 %	
Selling, general and administrative expenses	2.1 %	1.2 %		2.1 %	1.5 %	
Depreciation and amortization	2.8 %	2.8 %		2.9 %	2.9 %	
Restructuring charges	5.4 %	0.0 %		7.7 %	0.0 %	

1 For the three months ended June 30, 2025 and 2024, results include restructuring charges of \$118.0 and \$0.3, respectively. For the six months ended June 30, 2025 and 2024, results include restructuring charges of \$321.3 and \$0.9, respectively. See "Restructuring Charges" section of this MD&A and Note 8 of Item 1, Financial Statements and Supplementary Data for further information. For the three and six months ended June 30, 2025, results include deal costs of \$10.9 and \$15.7, respectively, related to the planned acquisition of IPG by Omnicom. See Note 2 of Item 1, Financial Statements and Supplementary Data for further information.

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

Total revenue, which includes billable expenses, decreased (6.4)% during the second quarter of 2025. Our organic decrease of revenue before billable expenses was (3.5)% during the second quarter of 2025, compared to an organic increase of 1.7% during the second quarter of 2024. This was a result of net client losses in our retail, health care and auto & transportation

**Management's Discussion and Analysis of Financial Condition and Results of Operations - (continued)**  
**(Amounts in Millions, Except Per Share Amounts)**  
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sectors, partially offset by net client wins in our financial services and food and beverage sectors and increased spending from existing clients in our technology & telecom sector. During the second quarter of 2025, our Adjusted EBITA margin on revenue before billable expenses decreased to 12.2% from 14.6% in the prior-year period as the decrease in revenue before billable expenses outpaced the decrease in operating expenses, excluding billable expenses and amortization of acquired intangibles. Adjusted EBITA includes \$118.0 of restructuring charges related to our 2025 restructuring actions and \$10.9 of deal costs related to the planned acquisition of IPG by Omnicom, which had a (5.4)% and (0.5)% impact, respectively, on Adjusted EBITA margin on revenue before billable expenses. See further discussion below in the “*Results of Operations*” section.

Total revenue, which includes billable expenses, decreased (6.7)% during the first half of 2025. Our organic decrease of revenue before billable expenses was (3.6)% during the first half of 2025, compared to an organic increase of 1.5% during the first half of 2024. This was a result of net client losses in our retail, health care, and auto & transportation sectors partially offset by net client wins in our financial services and food and beverage sectors, as well as increased spending from existing clients in our technology & telecom sector. During the first half of 2025, our Adjusted EBITA margin on revenue before billable expenses decreased to 5.8% from 12.1% in the prior-year period as the decrease in revenue before billable expenses outpaced the decrease in operating expenses, excluding billable expenses and amortization of acquired intangibles. Adjusted EBITA includes \$321.3 of restructuring charges related to our 2025 restructuring actions and \$15.7 of deal costs related to the planned acquisition of IPG by Omnicom, which had a (7.7)% and (0.4)% impact, respectively, on Adjusted EBITA margin on revenue before billable expenses. See further discussion below in the “*Results of Operations*” section.

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

**RESULTS OF OPERATIONS**

**Consolidated Results of Operations – Three and Six Months Ended June 30, 2025 Compared to Three and Six Months Ended June 30, 2024**

**Revenue before billable expenses**

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

	Three months ended June 30, 2024	Components of Change			Three months ended June 30, 2025	Change	
		Foreign Currency	Net Acquisitions/ (Divestitures)	Organic		Organic	Total
<b>Consolidated</b>	\$ 2,327.1	\$ 7.9	\$ (79.9)	\$ (82.4)	\$ 2,172.7	(3.5)%	(6.6)%
<b>Domestic</b>	1,525.5	—	(59.7)	(39.5)	1,426.3	(2.6)%	(6.5)%
<b>International</b>	801.6	7.9	(20.2)	(42.9)	746.4	(5.4)%	(6.9)%
United Kingdom	193.7	9.6	(6.5)	(18.8)	178.0	(9.7)%	(8.1)%
Continental Europe	199.2	7.4	(0.9)	(3.2)	202.5	(1.6)%	1.7 %
Asia Pacific	167.3	0.7	(5.1)	(22.7)	140.2	(13.6)%	(16.2)%
Latin America	102.2	(9.1)	(7.7)	1.4	86.8	1.4 %	(15.1)%
Other	139.2	(0.7)	0.0	0.4	138.9	0.3 %	(0.2)%

The organic decrease of revenue before billable expenses was (3.5)% during the second quarter of 2025. The organic decrease in our domestic market was primarily due to revenue decreases at our advertising businesses and digital project-based offerings, partially offset by revenue increases at our experiential businesses, public relations agencies and media businesses. In our international markets, the organic decrease was due to revenue decreases across all disciplines, primarily in our Asia Pacific and United Kingdom regions, partially offset by revenue increases at our media businesses in our Other region, led by Canada, as well as at our advertising businesses in our Latin America region.

	Six months ended June 30, 2024	Components of Change			Six months ended June 30, 2025	Change	
		Foreign Currency	Net Acquisitions/ (Divestitures)	Organic		Organic	Total
<b>Consolidated</b>	\$ 4,510.0	\$ (19.2)	\$ (161.5)	\$ (160.3)	\$ 4,169.0	(3.6)%	(7.6)%
<b>Domestic</b>	3,001.8	—	(118.3)	(99.0)	2,784.5	(3.3)%	(7.2)%
<b>International</b>	1,508.2	(19.2)	(43.2)	(61.3)	1,384.5	(4.1)%	(8.2)%
United Kingdom	371.7	7.8	(12.4)	(29.7)	337.4	(8.0)%	(9.2)%
Continental Europe	378.7	0.7	(3.7)	(3.9)	371.8	(1.0)%	(1.8)%
Asia Pacific	310.1	(3.4)	(11.6)	(35.6)	259.5	(11.5)%	(16.3)%
Latin America	189.3	(19.4)	(14.7)	4.1	159.3	2.2 %	(15.8)%
Other	258.4	(4.9)	(0.8)	3.8	256.5	1.5 %	(0.7)%

The organic decrease of revenue before billable expenses was (3.6)% during the first half of 2025. The organic decrease in our domestic market was primarily due to revenue decreases at our advertising and digital project-based offerings, partially offset by revenue increases at our media businesses and public relations agencies. In our international markets, the (4.1)% organic decrease was due to revenue decreases at our media businesses and advertising offerings in our Asia Pacific and United Kingdom regions, partially offset by revenue increases at our media businesses in our Other region led by Canada and most disciplines in our Latin America region.

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

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

**Salaries and Related Expenses**

	Three months ended June 30,		% Increase/ (Decrease)	Six months ended June 30,		% Increase/ (Decrease)
	2025	2024		2025	2024	
<b>Salaries and related expenses</b>	\$ 1,378.2	\$ 1,557.6	(11.5)%	\$ 2,792.6	\$ 3,130.4	(10.8)%

*As a % of revenue before billable expenses:*

	2025	2024	2025	2024
<b>Salaries and related expenses</b>	<b>63.4 %</b>	<b>66.9 %</b>	<b>67.0 %</b>	<b>69.4 %</b>
Base salaries, benefits and tax	56.5 %	57.8 %	59.4 %	60.3 %
Incentive expense	3.0 %	3.5 %	3.6 %	3.1 %
Severance expense	0.2 %	1.5 %	0.2 %	1.8 %
Temporary help	3.1 %	3.0 %	3.1 %	3.2 %
All other salaries and related expenses	0.6 %	1.1 %	0.7 %	1.0 %

Total salaries and related expenses decreased (11.5)% during the second quarter of 2025 as compared to the prior-year period, primarily driven by decreased base salaries, benefits and tax, as well as decreases in severance and performance-based employee compensation expenses.

Total salaries and related expenses decreased (10.8)% during the first half of 2025 as compared to the prior-year period, primarily driven by decreased base salaries, benefits and tax, as well as decreases in severance and temporary help expenses, partially offset by an increase in performance-based employee compensation expense.

**Office and Other Direct Expenses**

	Three months ended June 30,		% Increase/ (Decrease)	Six months ended June 30,		% Increase/ (Decrease)
	2025	2024		2025	2024	
<b>Office and other direct expenses</b>	\$ 325.2	\$ 358.4	(9.3)%	\$ 644.4	\$ 680.5	(5.3)%

*As a % of revenue before billable expenses:*

	2025	2024	2025	2024
<b>Office and other direct expenses</b>	<b>15.0 %</b>	<b>15.4 %</b>	<b>15.5 %</b>	<b>15.1 %</b>
Occupancy expense	3.8 %	4.1 %	4.0 %	4.2 %
All other office and other direct expenses <sup>1</sup>	11.2 %	11.3 %	11.5 %	10.9 %

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

Office and other direct expenses decreased by (9.3)% during the second quarter of 2025 as compared to the prior-year period. The decrease in office and other direct expenses was primarily driven by decreases in occupancy expense, professional consulting fees, new business development, and travel and entertainment expenses, partially offset by increases in technology & software expenses, as well as increased foreign currency losses.

Office and other direct expenses decreased by (5.3)% during the first half of 2025 as compared to the prior-year period. The decrease in office and other direct expenses was primarily driven by factors similar to those noted above for the second quarter of 2025.

**Selling, General and Administrative Expenses**

Selling, general and administrative expenses ("SG&A") are primarily the unallocated expenses of our "Corporate and Other" group, as detailed further in the segment discussion later in this MD&A, excluding depreciation and amortization. For the three and six months ended June 30, 2025, SG&A increased as compared to the prior-year period, primarily due to deal costs incurred related to the planned acquisition of IPG by Omnicom, as well as increases in technology & software and

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performance-based employee compensation expenses. Deal costs related to the planned acquisition were \$10.9 and \$15.7, respectively, for the three and six months ended June 30, 2025 and were comprised of legal, professional and filing fees.

***Depreciation and Amortization***

During the second quarter and first half of 2025, depreciation and amortization expenses decreased, compared to the prior-year period.

***Restructuring Charges***

Restructuring charges for the three and six months ended June 30, 2025 consist of new actions taken in the first half of 2025. Restructuring charges for the three and six months ended June 30, 2024 represent adjustments to the 2022 Real Estate Actions, as well as adjustments to the actions taken in 2020. The components of restructuring charges for the three and six months ended June 30, 2025 and 2024 are listed below.

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Severance and termination costs	\$ 53.3	\$ —	\$ 133.4	\$ —
Lease impairment costs	23.1	0.3	93.4	0.9
Other related costs	41.6	0.0	94.5	0.0
Total restructuring charges	<u>\$ 118.0</u>	<u>\$ 0.3</u>	<u>\$ 321.3</u>	<u>\$ 0.9</u>

***2025 Restructuring Actions***

In the first quarter of 2025, management initiated restructuring actions, as previously announced, which are designed to transform our business, enhance our offerings and drive significant structural expense savings. Management currently expects the total charges in connection with these actions to be approximately \$375.0 - \$400.0, a portion being non-cash, which is subject to change upon finalization of the actions. Actions are expected to be completed by the end of 2025.

During the three months ended June 30, 2025, severance and termination costs related to a planned reduction in workforce of approximately 900 employees. During the six months ended June 30, 2025, severance and termination costs related to a planned reduction in workforce of approximately 2,400 employees. The employee groups affected include executive, regional and account management as well as administrative, creative and media production personnel.

Lease impairment costs, which relate to the office spaces that were vacated as part of the 2025 restructuring actions and reduced our occupied global real estate footprint by approximately 165,000 and 595,000 square feet for the three and six months ended June 30, 2025, respectively, included impairments of operating lease right-of-use assets. Lease impairments were calculated based on estimated fair values using market participant assumptions including forecasted net discounted cash flows related to the operating lease right-of-use assets.

Other related costs primarily include leasehold improvements and furniture and asset retirement obligations associated with office spaces vacated as part of the 2025 restructuring actions, third-party costs to assist in identifying areas of structural expense savings in relation to our restructuring initiatives, and write-offs of unutilized assets. Leasehold improvements and furniture and asset retirement obligations were estimated using market participant assumptions including forecasted net discounted cash flows.

A summary of the restructuring activities related to the 2025 restructuring actions is as follows:

	<b>2025 Restructuring Actions</b>			
	<b>Restructuring Expense</b>	<b>Non-Cash Items</b>	<b>Cash Payments</b>	<b>Liability at June 30, 2025</b>
Severance and termination costs	\$ 133.4	\$ 4.3	\$ 73.1	\$ 56.0
Lease impairment costs	93.4	93.2	0.2	—
Other related costs	94.5	48.4	29.9	16.2
Total	<u>\$ 321.3</u>	<u>\$ 145.9</u>	<u>\$ 103.2</u>	<u>\$ 72.2</u>

***2022 Real Estate Actions & 2020 Restructuring Plan***

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There were no adjustments to the 2020 Plan and 2022 Real Estate Actions for the three and six months ended June 30, 2025. Net restructuring charges of \$0.3 and \$0.9 for the three and six months ended June 30, 2024, respectively were related to adjustments to our restructuring actions taken in 2020 and 2022.

**EXPENSES AND OTHER INCOME**

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cash interest on debt obligations	\$ (50.5)	\$ (56.8)	\$ (100.5)	\$ (119.3)
Non-cash interest	—	(1.1)	(0.1)	(1.4)
Interest expense	(50.5)	(57.9)	(100.6)	(120.7)
Interest income	26.2	36.6	60.8	85.3
Net interest expense	(24.3)	(21.3)	(39.8)	(35.4)
Other expense, net	(1.4)	(1.2)	(38.3)	(10.7)
Total (expenses) and other income	<u>\$ (25.7)</u>	<u>\$ (22.5)</u>	<u>\$ (78.1)</u>	<u>\$ (46.1)</u>

Net interest expense increased by \$3.0 and by \$4.4 for the three and six months ended June 30, 2025, compared to a year ago, primarily attributable to lower interest rates on net deposits and investments.

**Other Expense, Net**

Results of operations for the three and six months ended June 30, 2025 and 2024 include certain items that are not directly associated with our revenue-producing operations.

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net gains/(losses) on sales of businesses	\$ 1.9	\$ 2.1	\$ (34.5)	\$ (4.7)
Other	(3.3)	(3.3)	(3.8)	(6.0)
Total other expense, net	<u>\$ (1.4)</u>	<u>\$ (1.2)</u>	<u>\$ (38.3)</u>	<u>\$ (10.7)</u>

*Net gains/(losses) on sales of businesses* – During the three and six months ended June 30, 2024, the amounts recognized were related to sales of businesses and the classification of certain assets and liabilities, consisting primarily of cash, accounts receivable and accounts payable, as held for sale within our MD&E, IA&C and SC&E reportable segments. During the three and six months ended June 30, 2025, the amounts recognized were primarily related to the sales of two digital specialist agencies within our MD&E segment, which closed in the fourth quarter of 2024 and the first quarter of 2025.

*Other* – During the three and six months ended June 30, 2024, and three months ended June 30, 2025, the amounts recognized were primarily related to pension and post-retirement costs. During the six months ended June 30, 2025, the amounts recognized were primarily related to pension and post-retirement costs, partially offset by changes in the fair market value of equity investments.

**INCOME TAXES**

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>INCOME BEFORE INCOME TAXES</b>	\$ 218.0	\$ 295.7	\$ 123.6	\$ 456.3
Provision for income taxes	\$ 54.6	\$ 75.6	\$ 45.4	\$ 122.9

Our tax rates are affected by many factors, including our worldwide earnings from various countries, changes in legislation and tax characteristics of our income. For the three and six months ended June 30, 2025, our income tax expense was negatively impacted by our restructuring charges of \$118.0 and \$321.3, respectively, as well as losses related to the disposition of previously held for sale entities for which we recorded a nominal tax benefit and by losses in certain foreign jurisdictions where we receive no tax benefit due to 100% valuation allowances. This was partially offset by the release of previously recorded reserves for tax contingencies.

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For the three and six months ended June 30, 2024, our income tax expense was negatively impacted by net losses on sales of businesses and the classification of certain assets as held for sale for which we received minimal tax benefit and by losses in certain foreign jurisdictions where we receive no tax benefit due to 100% valuation allowances. Our income tax expense was positively impacted by the settlement of the 2017 through 2019 New York State income tax audit.

**EARNINGS PER SHARE**

Basic and diluted earnings per share available to IPG common stockholders for the three and six months ended June 30, 2025 were \$0.44 and \$0.21, respectively, compared to basic and diluted earnings per share of \$0.57 and \$0.86 for the three and six months ended June 30, 2024, respectively.

Basic and diluted earnings per share for the three months ended June 30, 2025 included negative impacts of \$0.05 from the amortization of acquired intangibles, \$0.24 from restructuring charges and \$0.03 related to deal costs related to the planned acquisition of IPG by Omnicom.

Basic and diluted earnings per share for the six months ended June 30, 2025 included negative impacts of \$0.09 from the amortization of acquired intangibles, \$0.65 from restructuring charges, \$0.04 related to deal costs related to the planned acquisition of IPG by Omnicom, and \$0.09 from net losses on sales of businesses.

Basic and diluted earnings per share for the three months ended June 30, 2024 included negative impacts of \$0.04 from the amortization of acquired intangibles.

Basic and diluted earnings per share for the six months ended June 30, 2024 included negative impacts of \$0.09 from the amortization of acquired intangibles and \$0.02 from net losses on sales of businesses and the classification of certain assets as held for sale.

**Segment Results of Operations – Three and Six Months Ended June 30, 2025 Compared to Three and Six Months Ended June 30, 2024**

As discussed in Note 12 to the unaudited Consolidated Financial Statements, we have three reportable segments as of June 30, 2025: MD&E, IA&C and SC&E. We also report results for the “Corporate and Other” group.

**Media, Data & Engagement Solutions**

**Revenue before billable expenses**

	Three months ended June 30, 2024	Components of Change			Three months ended June 30, 2025	Change	
		Foreign Currency	Net Acquisitions/ (Divestitures)	Organic		Organic	Total
<b>Consolidated</b>	\$ 1,058.7	\$ 1.7	\$ (79.8)	\$ (32.9)	\$ 947.7	(3.1)%	(10.5)%
<b>Domestic</b>	677.8	—	(59.7)	(6.2)	611.9	(0.9)%	(9.7)%
<b>International</b>	380.9	1.7	(20.1)	(26.7)	335.8	(7.0)%	(11.8)%

The organic decrease during the second quarter of 2025 was mainly attributable to net client losses in our retail and consumer goods sectors, partially offset by net client wins in our financial services sector and increased spending from existing clients in our technology & telecom sector. The organic decrease in our domestic market during the second quarter of 2025 was primarily driven by revenue decreases at our digital project-based offerings, partially offset by revenue increases at our media businesses. In our international markets, the organic decrease was due to revenue decreases at our media businesses primarily in our Asia Pacific, United Kingdom and Continental Europe regions, partially offset by revenue increases at our media businesses primarily in our Other region led by Canada.

	Six months ended June 30, 2024	Components of Change			Six months ended June 30, 2025	Change	
		Foreign Currency	Net Acquisitions/ (Divestitures)	Organic		Organic	Total
<b>Consolidated</b>	\$ 2,020.1	\$ (12.7)	\$ (159.3)	\$ (12.7)	\$ 1,835.4	(0.6)%	(9.1)%
<b>Domestic</b>	1,311.3	—	(118.3)	20.6	1,213.6	1.6 %	(7.5)%
<b>International</b>	708.8	(12.7)	(41.0)	(33.3)	621.8	(4.7)%	(12.3)%

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The organic decrease during the first half of 2025 was mainly attributable to net clients losses in our retail, consumer goods and auto & transportation sectors, partially offset by higher spending from existing clients and net client wins in our healthcare and food & beverage sectors and increased spending from existing clients in our technology & telecom sector. The 1.6% organic increase during the first half of 2025 in our domestic market was attributable to revenue increases at our media businesses and data management and analytics, partially offset by revenue decreases at our digital project-based offerings. In our international markets, the organic decrease was primarily driven by revenue decreases at our media businesses in our Asia Pacific and United Kingdom regions and decreases at decreases at our digital project-based offerings primarily in our United Kingdom and Continental Europe regions, partially offset by revenue increases at our media businesses in our Other region led by Canada.

***Segment EBITA***

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
<b>Segment EBITA</b>	\$184.8	\$175.4	5.4 %	260.2	268.1	(2.9)%
<b>Segment EBITA margin on revenue before billable expenses</b>	19.5 %	16.6 %		14.2 %	13.3 %	

Segment EBITA margin increased during the second quarter of 2025 compared to the prior-year period, as the decrease in our operating expenses, excluding billable expenses and amortization of acquired intangibles, outpaced the decrease in our revenue before billable expenses, as discussed above. Segment EBITA reflects the inclusion of \$22.4 and \$0.3 of restructuring charges for the three months ended June, 2025 and 2024, respectively. Salaries and related expenses decreased as compared to the prior-year period, primarily due to decreases in base salaries, benefits and tax and severance expense. Office and other direct expenses decreased mainly due to decreases in occupancy expense, professional consulting fees, new business development, and travel and entertainment expenses, partially offset by an increase in technology & software expenses and foreign currency losses.

Segment EBITA margin increased during the first half of 2025 compared to the prior-year period, as the decrease in our operating expenses, excluding billable expenses and amortization of acquired intangibles, outpaced the decrease in our revenue before billable expenses, as discussed above. Segment EBITA reflects the inclusion of \$76.3 and \$0.3 of restructuring charges for the six months ended June 30, 2025 and 2024, respectively. The decrease in salaries and related expenses, as compared to the prior-year period, was primarily driven by factors similar to those noted for the second quarter of 2025, as well as decreases in temporary help expense, partially offset by increases in performance-based employee compensation expense. Office and other direct expenses decreased primarily driven by factors similar to those noted above for the second quarter of 2025.

Depreciation and amortization, excluding amortization of acquired intangibles, as a percentage of revenue before billable expenses was 2.5% and 2.6% during the during the second quarter and first half of 2025, which decreased slightly as compared to the prior-year periods.

**Integrated Advertising & Creativity Led Solutions**

***Revenue before billable expenses***

	Three months ended June 30, 2024	Components of Change			Three months ended June 30, 2025	Change	
		Foreign Currency	Net Acquisitions/ (Divestitures)	Organic		Organic	Total
<b>Consolidated</b>	\$ 914.9	\$ 3.1	\$ —	\$ (57.5)	\$ 860.5	(6.3)%	(5.9)%
<b>Domestic</b>	599.3	—	—	(46.1)	553.2	(7.7)%	(7.7)%
<b>International</b>	315.6	3.1	—	(11.4)	307.3	(3.6)%	(2.6)%

The organic decrease during the second quarter of 2025 was due to net client losses in our healthcare, auto & transportation and retail sectors, partially offset by net client wins and higher spending from existing clients in our consumer goods sector and net client wins in our food & beverage sector. The (7.7)% organic decrease during the second quarter of 2025 in our domestic market was due to revenue decreases in our advertising businesses. In our international markets, the (3.6)% organic decrease

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was due to revenue decreases in our advertising businesses primarily in the United Kingdom and Other region led by the Middle East, partially offset by revenue increases in the Continental Europe and Latin America regions.

	Components of Change				Change		
	Six months ended June 30, 2024	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Six months ended June 30, 2025	Organic	Total
<b>Consolidated</b>	\$ 1,796.2	\$ (6.7)	\$ —	\$ (147.3)	\$ 1,642.2	(8.2)%	(8.6)%
<b>Domestic</b>	1,200.0	—	—	(130.4)	1,069.6	(10.9)%	(10.9)%
<b>International</b>	596.2	(6.7)	—	(16.9)	572.6	(2.8)%	(4.0)%

The organic decrease during the first half of 2025 was due to net client losses and lower spending from existing clients in our health care, auto & transportation, and retail sectors partially offset by net client wins in our technology & telecom and consumer goods sectors, as well as increased spending from existing clients in our financial services sector. The (10.9)% organic decrease during the first half of 2025 in our domestic market was due to revenue decreases in our advertising businesses. In our international markets, the (2.8)% organic decrease was due to revenue decreases in our advertising businesses primarily in our United Kingdom, Other and Asia Pacific regions, partially offset by revenue increases in our Continental Europe and Latin America regions.

**Segment EBITA**

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
<b>Segment EBITA</b>	\$ 84.4	\$ 138.7	(39.1)%	\$ 83.1	\$ 247.1	(66.4)%
<b>Segment EBITA margin on revenue before billable expenses</b>	9.8 %	15.2 %		5.1 %	13.8 %	

Segment EBITA margin decreased during the second quarter of 2025 compared to the prior-year period, as revenue before billable expenses, as discussed above, decreased and our operating expenses, excluding billable expenses and amortization of acquired intangibles, remained relatively flat. Segment EBITA reflects the inclusion of \$59.2 of restructuring charges for the three months ended June 30, 2025. Salaries and related expenses decreased as compared to the prior-year period, primarily due to decreased base salaries, benefits and tax, as well as decreases in severance expense and performance-based employee compensation expenses. Office and other direct expense decreased mainly due to decreases in occupancy and new business development, as well as a decrease in foreign currency losses, partially offset by an increase in technology & software expense.

Segment EBITA margin decreased during the first half of 2025 compared to the prior-year period, as revenue before billable expenses, as discussed above, decreased and our operating expenses, excluding billable expenses and amortization of acquired intangibles, increased. Segment EBITA reflects the inclusion of \$114.5 and \$0.3 of restructuring charges for the six months ended June 30, 2025 and 2024. Salaries and related expenses decreased as compared to the prior-year period primarily driven by decreased base salaries, benefits and tax, as well as a decrease in severance expense. Office and other direct expense decreased slightly primarily driven by decreases in occupancy, new business development and travel and entertainment expenses, as well as a decrease in professional consulting fees, offset by increases in technology & software expenses, as well as foreign currency losses.

Depreciation and amortization, excluding amortization of acquired intangibles, as a percentage of revenue before billable expenses was 1.4% during the second quarter of 2025, which was unchanged compared to the prior-year period, and was 2.6% for the first half of 2025, which increased compared to the prior-year period.

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**Specialized Communications & Experiential Solutions**

*Revenue before billable expenses*

	Three months ended June 30, 2024	Components of Change			Three months ended June 30, 2025	Change	
		Foreign Currency	Net Acquisitions/ (Divestitures)	Organic		Organic	Total
<b>Consolidated</b>	\$ 353.5	\$ 3.1	\$ (0.1)	\$ 8.0	\$ 364.5	2.3 %	3.1 %
<b>Domestic</b>	248.4	—	—	12.8	261.2	5.2 %	5.2 %
<b>International</b>	105.1	3.1	(0.1)	(4.8)	103.3	(4.6)%	(1.7)%

The organic increase during the second quarter of 2025 was mainly attributable to net client wins in our health care sector and increased spending from existing clients financial services and retail sectors, partially offset by decreased spending from existing clients in our auto & transportation and technology & telecom sectors. The organic increase of 5.2% during the second quarter of 2025 in our domestic market was due to revenue increases at our experiential businesses and public relations agencies. In our international markets, the (4.6)% organic decrease was due to revenue decreases at our public relations agencies in our United Kingdom and Asia Pacific regions, partially offset by revenue increases at our experiential agencies in our Asia Pacific region and public relations agencies in our Other region led by Canada.

	Six months ended June 30, 2024	Components of Change			Six months ended June 30, 2025	Change	
		Foreign Currency	Net Acquisitions/ (Divestitures)	Organic		Organic	Total
<b>Consolidated</b>	\$ 693.7	\$ 0.2	\$ (2.2)	\$ (0.3)	\$ 691.4	(0.0)%	(0.3)%
<b>Domestic</b>	490.5	—	—	10.8	501.3	2.2 %	2.2 %
<b>International</b>	203.2	0.2	(2.2)	(11.1)	190.1	(5.5)%	(6.4)%

Organic revenue before billable expenses slightly decreased during the first half of 2025 as lower spending from existing clients in our technology & telecom, auto & transportation, other and food & beverage sectors was offset by net client wins in our healthcare sector and higher spending from existing clients and net client wins in our financial services and retail sectors. The organic increase of 2.2% during the first half of 2025 in our domestic market was driven by revenue increases at our public relations agencies and experiential businesses. In our international markets, the (5.5)% organic decrease was driven by revenue decreases at our experiential businesses across most regions and revenue decreases at our public relations agencies primarily in the United Kingdom, Asia Pacific and Continental Europe regions, partially offset by revenue increases at our public relations agencies in our Other region led by Canada.

**Segment EBITA**

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
<b>Segment EBITA</b>	\$ 72.2	\$ 53.5	35.0 %	\$ 90.7	\$ 97.4	(6.9)%
<b>Segment EBITA margin on revenue before billable expenses</b>	19.8 %	15.1 %		13.1 %	14.0 %	

Segment EBITA margin increased during the second quarter of 2025 compared to the prior-year period, as our revenue before billable expenses, increased and our operating expenses, excluding billable expenses and amortization of acquired intangibles, decreased. Segment EBITA reflects the inclusion of \$7.7 of restructuring charges for the three months ended June 30, 2025. Salaries and related expenses decreased as compared to the prior-year period primarily due to decreases in base salaries, benefits and tax, as well as decreases in performance-based employee compensation and severance expenses, partially offset by an increase in temporary help expense. Office and other direct expense decreased slightly mainly due to decreases in occupancy and travel and entertainment expenses, partially offset by an increase in technology & software expenses and foreign currency losses.

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Segment EBITA margin decreased during the first half of 2025 compared to the prior-year period, as our revenue before billable expenses, as discussed above, remained relatively flat and our operating expenses, excluding billable expenses and amortization of acquired intangibles, slightly increased. Segment EBITA reflects the inclusion of \$29.4 and \$0.3 of restructuring charges for the six months ended June 30, 2025 and 2024, respectively. Salaries and related expenses, as well as office and other direct expenses, decreased as compared to the prior-year period primarily due to factors similar to those noted above for the second quarter of 2025.

Depreciation and amortization, excluding amortization of acquired intangibles, as a percentage of revenue before billable expenses was 0.9% during the second quarter and first half of 2025, both of which decreased slightly as compared to the prior-year periods.

## CORPORATE AND OTHER

Corporate and Other is primarily comprised of selling, general and administrative expenses including corporate office expenses as well as shared service center and certain other centrally managed expenses that are not fully allocated to operating divisions; salaries, long-term incentives, annual bonuses and other miscellaneous benefits for corporate office employees; professional fees related to internal control compliance, financial statement audits and legal, information technology and other consulting services that are engaged and managed through the corporate office; and rental expense for properties occupied by corporate office employees. A portion of centrally managed expenses is allocated to operating divisions based on formulas that use planned or actual revenues of each of the operating units. Amounts allocated also include specific charges for information technology-related projects, which are primarily allocated based on utilization.

During the second quarter of 2025, Corporate and Other expenses increased by \$47.6 compared to the prior-year period to \$76.6, primarily attributable to an increase in selling, general and administrative expenses, as well as restructuring charges, which is discussed in the *Results of Operations* section. During the first half of 2025, Corporate and Other expenses increased by \$121.7 compared to the prior-year period to \$190.8, primarily attributable to factors similar to those noted for the second quarter of 2025.

## LIQUIDITY AND CAPITAL RESOURCES

### CASH FLOW OVERVIEW

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

<b>Cash Flow Data</b>	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Net income (loss)	\$ 78.3	\$ 333.2
Adjustments to reconcile to net cash used in operating activities <sup>1</sup>	234.4	149.7
Net cash used in working capital <sup>2</sup>	(388.4)	(468.7)
Changes in other non-current assets and liabilities	(57.3)	(50.9)
Net cash used in operating activities	\$ (133.0)	\$ (36.7)
Net cash used in investing activities	(79.5)	(90.4)
Net cash used in financing activities	(471.2)	(678.3)

<sup>1</sup> Consist primarily of non-cash restructuring charges, depreciation and amortization of fixed assets and intangible assets, deferred income taxes and net losses on sales of businesses.

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

### *Operating Activities*

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

Due to the seasonality of our business, we typically use cash from working capital in the first nine months of a year, with the largest impact in the first quarter, and generate cash from working capital in the fourth quarter, driven by the seasonally

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strong media spending by our clients. Quarterly and annual working capital results are impacted by the fluctuating annual media spending budgets of our clients as well as their changing media spending patterns throughout each year across various countries.

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

Net cash used in operating activities during the first half of 2025 was \$133.0, which was an increase of \$96.3 compared to net cash used in operating activities of \$36.7 in the first half of 2024. The change was due to the impact of restructuring charges of \$321.3, partially offset by a decrease in working capital usage of \$80.3. Working capital use was primarily impacted by the spending levels of our clients, higher prepaid expenses, and variation in the timing of collections and payments around the reporting period.

*Investing Activities*

Net cash used in investing activities during the first half of 2025 was \$79.5, which was a decrease of \$10.9 as compared to the first half of 2024, driven by an increase in net proceeds from sale of businesses, net of cash sold and a decrease in capital expenditures as compared to the first half of 2024, partially offset by an increase of cash used for acquisitions, net of cash acquired of \$48.4. Payments for capital expenditures decreased to \$47.3 in the first half of 2025 from \$69.9 in the first half of 2024, primarily attributable to lower spending on computer hardware and internal-use computer software.

*Financing Activities*

Net cash used in financing activities during the first half of 2025 was \$471.2, primarily driven by the payment of common stock dividends of \$246.4 and common stock repurchases of \$188.3.

Net cash used in financing activities during the first half of 2024 was \$678.3, primarily driven by the payment of common stock dividends of \$250.5, repayment of long-term debt of \$250.1 and common stock repurchases of \$130.1.

*Foreign Exchange Rate Changes*

The effect of foreign exchange rate changes on cash, cash equivalents and restricted cash included in the unaudited Consolidated Statements of Cash Flows resulted in a net increase of \$63.4 during the first half of 2025. The increase was primarily a result of the U.S. Dollar being weaker than several foreign currencies, including the Euro as of June 30, 2025 as compared to December 31, 2024.

**LIQUIDITY OUTLOOK**

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

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

*Funding Requirements*

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

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

Notable funding requirements include:

- Debt service – As of June 30, 2025, we had outstanding short-term borrowings of \$37.6 from our uncommitted lines of credit used primarily to fund short-term working capital needs. The remainder of our debt is primarily long-term, with maturities scheduled from 2028 through 2048.
- Acquisitions – We paid cash of \$48.4, net of cash acquired, related to the acquisition of an e-commerce, intelligence platform, completed in the first half of 2025. We paid deferred payments of \$15.7 for prior-year acquisitions as well as ownership increases in our consolidated subsidiaries in the first half of 2025. We may also be required to pay approximately \$6.0 related to redeemable non-controlling interest held by minority shareholders, if exercised, over the next twelve months. We will continue to evaluate strategic opportunities to grow and continue to strengthen our market position, particularly in our digital and marketing services offerings, and to expand our presence in high-growth and key strategic world markets.
- Dividends – In the first half of 2025, we paid a quarterly cash dividend of \$0.330 per share on our common stock. Total dividends paid during the first half of 2025 were \$246.4. Assuming we pay a quarterly dividend of \$0.330 per share, and there is no significant change in the number of outstanding shares as of June 30, 2025, we would expect to pay approximately \$484.0 over the next twelve months. Whether to declare and the amount of any such future dividend is at the discretion of our Board of Directors (the "Board") and will depend upon factors such as our earnings, financial position and cash requirements.
- U.K. Pension Plan – In December 2023, the Interpublic Limited Pension Plan in the U.K. (the "U.K. Pension Plan"), the Company's U.K. defined benefit pension plan, entered into an agreement with an insurance company to purchase a group annuity, or "buy-in", that matches the plans future projected benefit obligations to covered participants. As part of the annuity purchase contract, the U.K. Pension Plan has the option to complete a "buy-out", which would transfer all liabilities of the plan to the insurer, which the Company anticipates to be completed in 2026. The non-cash settlement charge, net of tax, associated with the transaction is currently estimated to be approximately \$180.0 to \$200.0 and is subject to finalization of terms and changes in the British Pound Sterling.
- U.S. Pension Plan - In June of 2025, participants of our U.S. defined benefit pension plan were provided the option to request lump sum distributions, which may result in a partial settlement to the plan. The lump sum election window ends August 4, 2025, and a non-cash settlement charge, net of tax, is expected to be incurred in the third quarter of 2025. The Company also expects to make an incremental contribution to the plan in the second half of 2025 of approximately \$15.0.

*Share Repurchase Programs*

On February 7, 2024, our Board authorized a share repurchase program to repurchase from time to time up to \$320.0, excluding fees, of our common stock.

On February 11, 2025, the Board authorized a share repurchase program to repurchase from time to time up to \$155.0, excluding fees, of our common stock, which was in addition to any amounts remaining under the 2024 share repurchase program.

We may effect such repurchases through open market purchases, trading plans established in accordance with U.S. Securities and Exchange Commission ("SEC") rules, derivative transactions or other means. We fully utilized the 2023 and 2024 share repurchase programs during the second quarter of 2024 and 2025 respectively. As of June 30, 2025, \$137.1, excluding fees, remains available under the 2025 share repurchase program. There is no expiration dates associated with the share repurchase program.

***FINANCING AND SOURCES OF FUNDS***

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

**Management's Discussion and Analysis of Financial Condition and Results of Operations - (continued)**  
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**(Unaudited)**

*Credit Agreement*

We maintain a committed corporate credit facility, originally dated as of July 18, 2008, which has been amended and restated from time to time (the "Credit Agreement"). We use our Credit Agreement to increase our financial flexibility, to provide letters of credit primarily to support obligations of our subsidiaries and to support our commercial paper program. On May 29, 2024, we amended and restated the Credit Agreement. As amended, among other things, the maturity date of the Credit Agreement was extended to May 29, 2029, and the cost structure of the Credit Agreement was changed. The Credit Agreement continues to include a required leverage ratio of not more than 3.50 to 1.00, among other customary covenants, including limitations on our liens and the liens of our consolidated subsidiaries and limitations on the incurrence of subsidiary debt. At the election of the Company, the leverage ratio may be changed to not more than 4.00 to 1.00 for four consecutive quarters, beginning with the fiscal quarter in which there is an occurrence of one or more acquisitions with an aggregate purchase price of at least \$200.0. The Credit Agreement is a revolving facility, under which amounts borrowed by us or any of our subsidiaries designated under the Credit Agreement may be repaid and reborrowed, subject to an aggregate lending limit of \$1,500.0, or the equivalent in other currencies. The Company has the ability to increase the commitments under the Credit Agreement from time to time by an additional amount of up to \$250.0, provided the Company receives commitments for such increases and satisfies certain other conditions. The aggregate available amount of letters of credit outstanding may decrease or increase, subject to a sublimit of \$50.0, or the equivalent in other currencies. Our obligations under the Credit Agreement are unsecured. As of June 30, 2025, there were no borrowings under the Credit Agreement; however, we had \$9.3 of letters of credit under the Credit Agreement, which reduced our total availability to \$1,490.7.

We were in compliance with all of our covenants in the Credit Agreement as of June 30, 2025. Management utilizes Credit Agreement EBITDA, which is a non-GAAP financial measure, as well as the amounts shown in the table below, calculated as required by the Credit Agreement, in order to assess our compliance with such covenants.

<b>Financial Covenant</b>	<b>Four Quarters Ended</b>	<b>Credit Agreement EBITDA Reconciliation</b>	<b>Four Quarters Ended</b>
	<b>June 30, 2025</b>		<b>June 30, 2025</b>
Leverage ratio (not greater than) <sup>1</sup>	3.50x	Net income available to IPG common stockholders	\$ 441.7
Actual leverage ratio	1.90x	Non-operating adjustments <sup>2</sup>	460.8
		Operating income	902.5
		Add:	
		Depreciation and amortization	335.3
		Other non-cash charges reducing operating income	318.9
		Credit Agreement EBITDA <sup>1</sup>	\$ 1,556.7

<sup>1</sup> 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.

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

*Uncommitted Lines of Credit*

We also have uncommitted lines of credit with various banks that permit borrowings at variable interest rates and that are primarily used to fund working capital needs. We have guaranteed the repayment of some of these borrowings made by certain subsidiaries. If we lose access to these credit lines, we would have to provide funding directly to some of our operations. As of June 30, 2025, the Company had uncommitted lines of credit in an aggregate amount of \$677.5, under which we had outstanding borrowings of \$37.6 classified as short-term borrowings on our Consolidated Balance Sheet. The average amount outstanding during the second quarter of 2025 was \$52.3 with weighted-average interest rate of approximately 6.4%.

*Commercial Paper*

The Company is authorized to issue unsecured commercial paper up to a maximum aggregate amount outstanding at any time of \$1,500.0. Borrowings under the program are supported by the Credit Agreement described above. Proceeds of the commercial paper are used for working capital and general corporate purposes, including the repayment of maturing indebtedness and other short-term liquidity needs. The maturities of the commercial paper vary but may not exceed 397 days from the date of issue. During the second quarter of 2025, there was no commercial paper activity, and as of June 30, 2025, there was no commercial paper outstanding.

**Management’s Discussion and Analysis of Financial Condition and Results of Operations - (continued)**  
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*Cash Pooling*

We aggregate our domestic cash position on a daily basis. Outside the United States, we use cash pooling arrangements with banks to help manage our liquidity requirements. In these pooling arrangements, several IPG agencies agree with a single bank that the cash balances of any of the agencies with the bank will be subject to a full right of set-off against amounts other agencies owe the bank, and the bank provides for overdrafts as long as the net balance for all agencies does not exceed an agreed-upon level. Typically, each agency pays interest on outstanding overdrafts and receives interest on cash balances. Our unaudited Consolidated Balance Sheets reflect cash, net of bank overdrafts, under all of our pooling arrangements, and as of June 30, 2025, the amount netted was \$2,613.3.

**DEBT CREDIT RATINGS**

Our debt credit ratings as of July 18, 2025, are listed below.

	<b>Moody’s Investors Service</b>	<b>S&amp;P Global Ratings</b>	<b>Fitch Ratings</b>
Short-term rating	P-2	A-2	F1
Long-term rating	Baa2	BBB	BBB+
Outlook	Positive	Positive	Stable

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

**CRITICAL ACCOUNTING ESTIMATES**

Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2024, included in our 2024 Annual Report. As summarized in Item 7, *Management’s Discussion and Analysis of Financial Condition and Results of Operations*, in our 2024 Annual Report, we believe that certain of these policies are critical because they are important to the presentation of our financial condition and results of operations, and they require management’s most difficult, subjective or complex judgments, often as a result of the need to estimate the effect of matters that are inherently uncertain. These critical estimates relate to revenue recognition, income taxes, goodwill and other intangible assets, and pension and postretirement benefits. We base our estimates on historical experience and various other factors that we believe to be relevant under the circumstances. Estimation methodologies are applied consistently from year to year, and there have been no significant changes in the application of critical accounting estimates since December 31, 2024. Actual results may differ from these estimates under different assumptions or conditions and further decline in macroeconomic conditions or increasing interest rates could have a negative impact on these estimates, including the fair value of certain assets.

**RECENT ACCOUNTING STANDARDS**

See Note 15 to the unaudited Consolidated Financial Statements for further information on certain accounting standards that have been recently adopted or that have not yet been required to be implemented and may be applicable to our future operations.

**Management's Discussion and Analysis of Financial Condition and Results of Operations - (continued)**  
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**NON-GAAP FINANCIAL MEASURE**

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

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

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

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

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

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

**Management's Discussion and Analysis of Financial Condition and Results of Operations - (continued)**  
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The following table presents the reconciliation of Net Income Available to IPG Common Stockholders to Adjusted EBITA for the three and six months ended June 30, 2025 and 2024.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Revenue before billable expenses</b>	<b>\$ 2,172.7</b>	<b>\$ 2,327.1</b>	<b>\$ 4,169.0</b>	<b>\$ 4,510.0</b>
<b>Adjusted EBITA Reconciliation:</b>				
<b>Net Income Available to IPG Common Stockholders</b> <sup>1,2</sup>	<b>\$ 162.5</b>	<b>\$ 214.5</b>	<b>\$ 77.1</b>	<b>\$ 324.9</b>
Add Back:				
Provision for income taxes	54.6	75.6	45.4	122.9
Subtract:				
Total (expenses) and other income	(25.7)	(22.5)	(78.1)	(46.1)
Equity in net income of unconsolidated affiliates	0.2	(0.5)	0.1	(0.2)
Net income attributable to non-controlling interests	(1.1)	(5.1)	(1.2)	(8.3)
<b>Operating Income (Loss)</b> <sup>1,2</sup>	<b>243.7</b>	<b>318.2</b>	<b>201.7</b>	<b>502.4</b>
Add Back:				
Amortization of acquired intangibles	21.1	20.4	41.5	41.1
<b>Adjusted EBITA</b> <sup>1,2</sup>	<b>\$ 264.8</b>	<b>\$ 338.6</b>	<b>\$ 243.2</b>	<b>\$ 543.5</b>
<i>Adjusted EBITA Margin on Revenue before billable expenses</i>	<i>12.2 %</i>	<i>14.6 %</i>	<i>5.8 %</i>	<i>12.1 %</i>

1 Calculations include restructuring charges of \$118.0 and \$321.3 for the three and six months ended June 30, 2025 and \$0.3 and \$0.9 for the three and six months ended June 30, 2024, respectively. See "Restructuring Charges" section of this MD&A and Note 8 of Item 1, *Financial Statements and Supplementary Data* for further information.

2 Calculations include \$10.9 and \$15.7 of deal costs incurred during the three and six months ended June 30, 2025, respectively, related to the planned acquisition of IPG by Omnicom. See Note 2 of Item 1, *Financial Statements and Supplementary Data*, for further information.