

## Risk Factors Comparison 2025-02-20 to 2024-02-20 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

We are subject to a variety of possible risks that could adversely impact our revenues, results of operations or financial condition. Some of these risks relate to general economic and financial conditions, while others are more specific to us and the industry in which we operate. **In addition, we 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, as well as risks that the proposed merger may adversely affect relationships with our clients, partners, suppliers, and employees, whether or not the transaction is completed.** The following factors set out potential risks we have identified that could adversely affect us. The risks described below may not be the only risks we face. Additional risks that we do not yet know of, or that we currently think are immaterial, could also have a negative impact on our business operations or financial condition. See also Statement Regarding Forward- Looking Disclosure. Risks Related to the Global Market and the Economy • Our results of operations are highly susceptible to unfavorable or uncertain economic conditions. We are exposed to risks associated with weak or uncertain regional or global economic conditions and disruption in the financial markets. Market conditions can be and have been adversely affected by natural and human disruptions, such as natural disasters, public health crises, severe weather events, **political upheaval**, military conflict or civil unrest. Economic downturns or uncertainty about the strength of the global economy generally, or adverse economic conditions in certain regions or market sectors and resulting caution with respect to spending on the part of marketers, can have and has had a negative effect on the demand for advertising and marketing communication services. The global economy continues to be challenging, including as a result of the adverse effects of the continuing impact of supply chain and labor disruptions, inflationary pressures ~~and~~, conflict in Ukraine and the Middle East **and uncertainty generated by political developments in key markets**. Any prolonged disruption to business or financial markets in the United States, which accounted for approximately 65 % of our consolidated total revenue in ~~2023~~ **2024**, as a result of ~~anticipated or actual~~ **disruptive changes in governmental** ~~government shutdowns~~ **economic, social** or ~~debt defaults~~ **trade policies**, could have an adverse impact on our clients and our business. Our industry has in the past been affected more severely than other sectors by an economic downturn and recovered more slowly than the economy in general. Previously in response to negative economic and financial conditions, including in connection with the outbreak of the COVID- 19 pandemic in 2020, some clients responded by reducing their marketing budgets, which include discretionary components that are easier to reduce in the short term than other operating expenses. Our ~~2023~~ **2024** results for example, were negatively impacted by significant reductions in spending by clients in the technology & telecom sector. This pattern may recur in the future. Furthermore, unexpected revenue shortfalls can result in misalignments of costs and revenues, resulting in a negative impact to our operating margins. If our business is significantly adversely affected by unfavorable economic conditions or other market disruptions that adversely affect client spending, the negative impact on our revenue could pose a challenge to our operating income and cash generation from operations. ~~The impact of the COVID-19 pandemic and any future public health crises may in the future adversely impact our business, financial condition and results of operations. The COVID-19 pandemic created both regional and worldwide operational volatility and uncertainty in certain markets and sectors that have been slower to rebound or continue to face lingering disruptions. Some clients, particularly in the early months of the pandemic, responded to resulting weak or volatile economic and financial conditions by reducing their marketing budgets, thereby decreasing the market and demand for our services, or adjusted, reduced or suspended operating activities, which negatively impacted certain of the markets or industries we serve. These patterns may recur in future periods, including as a result of pandemic developments such as the emergence of new virus variants that may be more transmissible, virulent or both.~~ Risks Related to Our Industry and Operations • We operate in a highly competitive industry. The advertising and marketing communications business is highly competitive and constantly changing. Our agencies and media services compete with other agencies and other providers of creative, marketing or media services to maintain existing client relationships and to win new business. Our competitors include not only other large multinational advertising and marketing communications companies, but also smaller entities that operate in local or regional markets as well as new forms of market participants. Competitive challenges also arise from rapidly evolving and new technologies in the marketing and advertising space, creating opportunities for new and existing competitors and a need for continued significant investment in tools, technologies and process improvements. As data- driven marketing solutions become increasingly core to the success of our brands, and with the development of new and emerging technologies like generative AI, any failure to keep up with rapidly changing technologies and standards in this space could harm our competitive position. These technologies also present risks related to ethical considerations, intellectual property protection and privacy and data protection. The client' s perception of the quality of our agencies' creative work, its confidence in our ability to protect the confidentiality of their and their customers' data and its relationships with key personnel at the Company or our agencies are important factors that affect our competitive position. An agency' s ability to serve clients, particularly large international clients, on a broad geographic basis and across a range of services and technologies may also be an important competitive consideration. On the other hand, because an agency' s principal asset is its people and freedom of entry into the industry is almost unlimited, our relationships with clients can be affected by the departure of key personnel and a small agency is, on occasion, able to take all or some portion of a client' s account from a much larger competitor. • Clients may terminate or reduce their relationships with us on short notice. Many companies put their advertising and marketing communications business up for competitive review from time to time, and we have lost client accounts in the past as a result of such periodic competitions. Our clients may choose to terminate their contracts, or reduce their relationships with us, on a relatively short time frame and for any

reason. A relatively small number of clients contribute a significant portion of our revenue. In the aggregate, our top ten clients based on revenue before billable expenses accounted for approximately 20 % of revenue before billable expenses in 2023-2024. A substantial decline in a large client's advertising and marketing spending, or the loss of a significant part of its business, could have a material adverse effect upon our business and results of operations. Our ability to attract new clients and to retain existing clients may also, in some cases, be limited by clients' policies or perceptions about conflicts of interest, or our own exclusivity arrangements with certain clients. **We could lose business and revenue as a result of real or perceived conflicts engendered by our proposed combination with Omnicom.** These client policies can, in some cases, prevent one agency, or even different agencies under our ownership, from performing similar services for competing products or companies. • We may lose or fail to attract and retain key employees and management personnel. Our employees, including creative, digital, research, media and account specialists, and their skills and relationships with clients, are among our most valuable assets. An important aspect of our competitiveness is our ability to identify and develop the appropriate talent and to attract and retain key employees and management personnel. Our ability to do so is influenced by a variety of factors, including the compensation we award and factors which may be beyond our control. The advertising and marketing services industry can be particularly sensitive to shifts in labor markets, as it is characterized by a high degree of employee mobility and significant use of third- party or temporary workers to staff new, growing or temporary assignments. The impact of the COVID- 19 pandemic contributed in recent years to an increase in labor costs, shortages, disruptions and turnover. In addition, changes to U. S. or other immigration policies or travel restrictions imposed as a result of public health, political or security concerns that restrain the flow of professional talent also may inhibit our ability to staff our offices or projects. **We could also lose key employees as a result of any uncertainty about the operations of the combined company following the proposed merger transaction with Omnicom.** If we were to fail to attract key personnel or lose them to competitors or clients, or fail to manage our workforce effectively, our business and results of operations could be adversely affected. • We are subject to industry regulations and other legal or reputational risks that could restrict our activities or negatively impact our performance or financial condition. Our industry is subject to government regulation and other governmental action, both domestic and foreign. Advertisers and consumer groups may challenge advertising through legislation, regulation, judicial actions or otherwise, for example on the grounds that the advertising is false and deceptive or injurious to public welfare. Our business is also subject to specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements applicable to advertising for certain products. Existing and proposed laws and regulations, in particular in the European Union, the United Kingdom and the United States, concerning user privacy, use and protection of personal information and whether and how we can transfer, process or receive certain data that we use in our operations, including the General Data Protection Regulation (the " GDPR ") in the European Economic Area and as retained in the United Kingdom, the California Consumer Privacy Act (the " CCPA "), and other U. S. state comprehensive privacy laws, could affect the efficacy and profitability of internet- based, digital and targeted marketing. For instance, the GDPR imposes strict requirements on transfers of personal data to third countries, including the United States, whose protection of that data is not deemed to be adequate. Changes in the interpretation of existing consumer protection laws, including if our ability to transfer data between countries and regions in which we operate is restricted, may increase the costs of compliance, harm our business or result in significant penalties or legal liability. Regulators and legislators in the European Union, United Kingdom, and United States are increasingly focused on the use of cookies, online tracking technologies, and the sharing of personal data with third parties for targeted or behavioral advertising. This has resulted in the promulgation or consideration of new or updated regulations under the GDPR, the CCPA, and other U. S. state privacy laws. Our digital business could be adversely affected if such laws or regulations are adopted, interpreted or implemented in a manner that is inconsistent with, or that requires changes to, our current business practices. Restrictions on digital or targeted advertising practices, the enactment or future enforcement of state privacy laws, or the unanticipated application of such laws and regulations, could affect the manner in which we provide our services or adversely affect our financial results. Furthermore, if we are prohibited from sharing data among our products and services, or if regulators enforce strict limitations on the use of tracking technologies for targeted or behavioral advertising, this could lead to substantial costs, limit the effectiveness of our services, and subject us to additional liabilities. The imposition of restrictions on these technologies by private market participants in response to privacy concerns could also have a negative impact on our digital business. Legislators, agencies and other governmental units may also continue to initiate proposals to ban the advertising of specific products, such as alcohol, tobacco or marijuana products, and to impose taxes on or deny deductions for advertising, which, if successful, may hinder our ability to accomplish our clients' goals and have an adverse effect on advertising expenditures and, consequently, on our revenues or results. Governmental action, including judicial rulings, on the relative responsibilities of clients and their marketing agencies for the content of their marketing can also impact our operations. Furthermore, we could suffer reputational risk as a result of governmental or legal action or from undertaking work that may be challenged by consumer groups or considered controversial, in poor taste or not conforming to contemporary social standards. • We rely extensively on information technology systems and face cybersecurity risks. As discussed under Item 1C, Cybersecurity, we rely extensively and increasingly on information technologies and infrastructure to manage our business, develop new business opportunities and digital products, and process business transactions, and our business operations depend on the availability, integrity and secure processing, storage, and transmission of confidential and sensitive information digitally and through interconnected systems, including those of our vendors, service providers and other third parties. The incidence of malicious technology- related events, such as cyberattacks, computer hacking, computer viruses or other destructive or disruptive software, phishing attacks and other attempts to gain access to confidential or personal data, denial of service or ransomware attacks or other malicious activities, is on the rise worldwide and highlights the need for continual and effective cybersecurity awareness and education. We, our clients and our vendors are increasingly the target of hackers and other threat actors, denial of service attacks and malicious code, which can result in the unauthorized access, misuse, loss, or destruction of data (including confidential and sensitive data), unavailability of services and supply chain

disruptions, or other adverse events. Our business, which increasingly involves the collection, use and transmission of customer data, including personal information, makes us and our agencies attractive targets for malicious third- party attempts to access this data. Power outages, equipment failure, natural disasters (including extreme weather), terrorist activities or human error also affect our systems and can result in disruption of our services or loss or improper disclosure of personal data, business information, including intellectual property, or other confidential information. We utilize in- house and third- party services, including third- party “ cloud ” computing services, to perform key operational functions, including the storage, transfer or processing of data. System failures or network disruptions or breaches in such in- house or third- party systems could adversely affect our business operations, financial condition and reputation or expose us to increased risk of litigation or regulatory enforcement action. The threat landscape is constantly evolving. Cybersecurity incidents or data breaches affecting the confidentiality, integrity, or availability of the information we process, our data systems, or those operated on our behalf by third- party service providers adversely affect our ability to manage our risk exposure and could significantly harm our business. We operate in many respects on a decentralized basis, with a large number of agencies and legal entities, and the resulting size, diversity and disparity of our technology systems and complications in implementing standardized technologies and procedures increases our vulnerability to such breakdowns, malicious intrusions or attacks. Data privacy or cybersecurity breaches, or any failure to maintain the confidentiality of sensitive information, by employees and others poses the risk that sensitive data, such as personal information, strategic plans and trade secrets, could be exposed to third parties or to the general public. Breaches or breakdowns that result in a loss of our or our clients’ or vendors’ proprietary information expose us to legal liability and can be expensive to remedy. We consider the ethical treatment of data to be a business strength, and so the damage to our reputation and business from any such breach could be significant and costly. Efforts to develop, implement and maintain security measures are costly, may not be successful in preventing these events from occurring and require ongoing monitoring and updating as technologies and cyberattack techniques change frequently, or are not recognized until successful and efforts to overcome security measures become more sophisticated. We operate worldwide, and the legal rules governing data transfers are often complex, conflicting, unclear or ever- changing. Increased privacy and cybersecurity requirements increase our operating and compliance costs and can negatively impact our business or financial condition. Furthermore, as part of our response to the challenges of the COVID- 19 pandemic, modified processes, procedures and controls were required to respond to the changes in our business environment as a significant number of our employees have continued to work from home for at least a portion of the work week. The increase in remote working of our employees exacerbates risks related to the increased demand for information technology resources, malicious technology- related events, including cyberattacks and phishing attacks, and improper dissemination of personal, proprietary or confidential information.

- International business risks could adversely affect our operations. We are a global business, with agencies operating in over 100 countries. Operations outside the United States represent a significant portion of our revenue before billable expenses, approximately 35 % in 2023-2024. These operations are exposed to risks that include local legislation, currency variation, exchange control restrictions, local labor and employment laws that hinder workforce flexibility, large- scale local or regional public health crises, and other difficult social, political or economic conditions. We also must comply with applicable U. S., local and other international anti- corruption laws, including the FCPA and the U. K. Anti- Bribery Act (2010), which can be comprehensive, complex and stringent, in all jurisdictions where we operate, certain of which present heightened compliance challenges. Export controls and economic sanctions, such as those maintained by the Office of Foreign Assets Control of the U. S. Department of the Treasury, can impose limitations on our ability to operate in certain geographic regions or to seek or service certain potential clients, including in Russia and, increasingly, China. These restrictions can place us at a competitive disadvantage with respect to those competitors who may not be subject to comparable restrictions. Failure to comply or to implement business practices that sufficiently prevent corruption or violation of sanctions laws could result in significant remediation expense and expose us to significant civil and criminal penalties and reputational harm. In addition, in developing countries or regions, we may face further risks, such as slower receipt of payments, nationalization, social and economic instability, currency repatriation restrictions and undeveloped or inconsistently enforced commercial laws. These risks may limit our ability to grow our business and effectively manage our operations in those countries.
- The costs of compliance with sustainability or other environmental, social responsibility or governance (ESG) laws, regulations or policies, including investor and client- driven policies and standards, could adversely affect our business. We are increasingly impacted by the effects of climate change and laws and regulations related to climate and other ESG concerns. We could also incur related costs indirectly through our clients or investors. Increasingly our clients request that we comply with their own social responsibility, sustainability or other business policies or standards, which may be more restrictive than current laws and regulations, before they commence, or continue, doing business with us, and ESG issues are increasingly a focus of the investor community. If large shareholders were to reduce their ownership stakes in our Company as a result of dissatisfaction with our policies or efforts in this area, there could be negative impact on our stock price, and we could also suffer reputational harm. Further, if clients’ costs are adversely affected by climate change or related laws and regulations, this could negatively impact their spending on our advertising and marketing services. We could also face increased prices from our own suppliers that face climate change- related and other ESG costs and seek to pass on their increased costs to their customers. In 2021, we committed to certain science- based emissions targets, the sourcing of 100 % of our electricity needs from renewable sources by 2030 and the realization of net- zero carbon emissions by 2040. Some clients and investors may request that we commit to emissions targets and timeframes that may be more aggressive than the commitments we have already undertaken. Any setbacks in the feasibility or timing of the achievement of our commitments could result in reputational harm or damaged relationships with clients or consumers. We expect the financial and operational costs of complying with ESG laws and regulations or achieving our ESG goals and related certification requirements will grow significantly in future years.
- If our clients experience financial distress, it could negatively affect our own financial position and results. We have a large and diverse client base, and at any given time, one or more of our clients may experience financial difficulty, file for bankruptcy

protection or go out of business. Unfavorable economic and financial conditions, including those resulting from regional or global economic downturns, and military conflicts or other geopolitical risks could result in an increase in client financial difficulties that negatively affect us. The direct impact on us could include reduced revenues and write-offs of accounts receivable and expenditures billable to clients, and if these effects were severe, the indirect impact could include impairments of intangible assets, credit facility covenant violations and reduced liquidity. • If our clients seek to change or delay payment terms, it could negatively affect our own financial position and results. In most of our businesses, our agencies enter into commitments to pay production and media costs on behalf of clients. The amounts involved substantially exceed our revenues and primarily affect the level of accounts receivable, expenditures billable to clients, accounts payable and accrued liabilities. To the extent possible, we pay production and media charges only after we have received funds from our clients. However, if clients are unable to pay for commitments that we have entered into on their behalf, or if clients seek to significantly delay or otherwise alter payment terms, there could be an adverse effect on our working capital, which would negatively impact our operating cash flow. • We face risks associated with our acquisitions and other investments. We regularly undertake acquisitions and other investments that we believe will enhance our service offerings to our clients, such as our **acquisition acquisitions** of Acxiom in 2018 and RafterOne in 2022. These transactions can involve significant challenges and risks, including that the transaction does not advance our business strategy or fails to produce a satisfactory return on our investment. Our customary business, legal and financial due diligence with the goal of identifying and evaluating the material risks involved may be unsuccessful in ascertaining or evaluating all such risks. Though we typically structure our acquisitions to provide for future contingent purchase payments that are based on the future performance of the acquired entity, our forecasts of the investment's future performance also factor into the initial consideration. When actual financial results differ, our returns on the investment could be adversely affected. We may also experience difficulty integrating new employees, businesses, assets or systems into our organization, including with respect to our internal policies and required controls. We may face reputational and legal risks in situations where we have a significant minority investment but limited control over the investment's operations. Furthermore, it may take longer than anticipated to realize the expected benefits from these transactions, or those benefits may ultimately be smaller than anticipated or may not be realized at all. Talent is among our most valuable assets, and we also may not realize the intended benefits of a transaction if we fail to retain targeted personnel. Acquisition and integration activity may also divert management's attention and other corporate resources from other business needs. If we fail to realize the intended advantages of any given investment or acquisition, or if we do not identify or correctly measure the associated risks and liabilities, our results of operations and financial position could be adversely affected. Risks Related to Our Financial Condition and Results • Our financial condition could be adversely affected if our available liquidity is insufficient. Agency operating cash flows have a significant impact on our liquidity, and we maintain a commercial paper program, a committed corporate credit facility and uncommitted lines of credit to increase flexibility in support of our operating needs. If any of these sources were unavailable or insufficient, our liquidity and ability to adequately fund our operations could be adversely affected, and we could be required to refinance, restructure or otherwise amend some or all of our obligations, sell assets or raise additional cash in the capital markets, and there could be a negative impact on our credit ratings. Increases in interest rates raise our borrowing costs. We cannot assure you that we would be able to access any new sources of liquidity, including in the capital markets, on commercially reasonable terms or at all or, if accomplished, that we would raise sufficient funds to meet our needs. We maintain a \$ 1.5 billion committed corporate credit facility (the "Credit Agreement") as a backstop source of liquidity. The Credit Agreement also supports our ability to borrow under our commercial paper program. Under our commercial paper program, we are authorized to issue short-term debt up to an aggregate amount outstanding at any time of \$ 1.5 billion, which we may use for working capital and general corporate purposes. If credit under the Credit Agreement or our ability to access the commercial paper market were unavailable or insufficient, our liquidity could be adversely affected. The Credit Agreement contains a leverage ratio and other, non-financial, covenants, and events like a material economic downturn could adversely affect our ability to comply with them. For example, compliance with the financial covenant would be more difficult to achieve if we were to experience increased indebtedness or substantially lower revenues, including as a result of economic downturns, client losses or a substantial increase in client defaults. If we were unable to comply with any of the covenants contained in the Credit Agreement, we could be required to seek an amendment or waiver from our lenders, and our costs under these agreements would likely increase. If we were unable to obtain a necessary amendment or waiver, the Credit Agreement could be terminated, any outstanding amounts could be subject to acceleration, and we could lose access to certain uncommitted financing arrangements and commercial paper. For further discussion of our liquidity profile and outlook, see Liquidity and Capital Resources in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations. • Downgrades of our credit ratings could adversely affect us. Because ratings are an important factor influencing our ability to access capital and the terms of any new indebtedness, including covenants and interest rates, we could be adversely affected if our credit ratings were downgraded or if they were significantly weaker than those of our competitors. Our access to the commercial paper market is contingent on our maintenance of sufficient short-term debt ratings, and any downgrades to those ratings could increase our borrowing costs and reduce the market capacity for, or our ability to issue, commercial paper. Our clients and vendors may also consider our credit profile when negotiating contract terms, and if they were to change the terms on which they deal with us, it could have an adverse effect on our liquidity. • Our earnings would be adversely affected if we were required to recognize asset impairment charges or increase our deferred tax valuation allowances. We evaluate all of our long-lived assets (including goodwill, other intangible assets, fixed assets and operating lease right-of-use assets), investments and deferred tax assets for possible impairment or realizability annually or whenever there is an indication that they are impaired or not realizable. If certain criteria are met, we are required to record an impairment charge or valuation allowance. **During the third quarter of 2024, we concluded that declines in the forecasted performance of one of our reporting units included within our MD & E segment, combined with the classification of R / GA and Huge, which comprised a significant**

portion of the reporting unit, as held for sale was a triggering event which required a goodwill impairment assessment, and we recorded non-cash goodwill impairment charges of \$ 232.1 million. As of December 31, 2023-2024, we had substantial amounts of long-lived assets, deferred tax assets and investments on our Consolidated Balance Sheet, including approximately \$ 5.4. 1-7 billion of goodwill. Future events, including our financial performance, market valuation of us or market multiples of comparable companies, loss of a significant client's business or strategic decisions, could cause us to conclude that impairment indicators exist and that the asset values associated with long-lived assets, deferred tax assets and investments may have become impaired. Any significant impairment loss would have an adverse impact on our reported earnings in the period in which the charge is recognized. For further discussion of goodwill and other intangible assets, as well as our sensitivity analysis of our valuation of these assets, see Critical Accounting Estimates in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

- Our financial results are exposed to exchange rate risk. Because a significant portion of our business is denominated in currencies other than the U. S. Dollar, such as the British Pound Sterling, the Euro, the Japanese Yen and Australian Dollar, fluctuations in exchange rates between the U. S. Dollar and such currencies may adversely affect our financial results.
- We may not be able to meet our performance targets and milestones. From time to time, we communicate to the public certain targets and milestones for our financial and operating performance that are intended to provide metrics against which to evaluate our performance. They should not be understood as predictions or guidance about our expected performance. Our ability to meet any target or milestone is subject to inherent risks and uncertainties, and we caution investors against placing undue reliance on them. See Statement Regarding Forward- Looking Disclosure.

**15-Risks Relating to the Proposed Merger with Omnicom**

- **Because the exchange ratio is fixed and because the market prices of shares of Omnicom common stock and IPG common stock will fluctuate, IPG stockholders cannot be certain of the market value of the merger consideration they will receive in the merger or the difference between the market value of the merger consideration they will receive in the merger and the market value of their shares of IPG common stock immediately prior to the merger. At the time the merger is completed, each issued and outstanding share of IPG common stock will be converted into the right to receive the merger consideration of 0.344 shares of Omnicom common stock, together with cash paid in lieu of the issuance of any fractional shares of Omnicom common stock. The exchange ratio for the merger consideration is fixed, and there will be no adjustment to the merger consideration, regardless of whether the market price of Omnicom common stock or IPG common stock changes prior to the completion of the merger. The market prices of Omnicom common stock and IPG common stock have fluctuated since the date on which Omnicom and IPG announced they entered into the Merger Agreement and will continue to fluctuate to the date on which IPG stockholders actually receive the merger consideration. The market prices of Omnicom common stock and IPG common stock will fluctuate during these periods as a result of a variety of factors, including general market and economic conditions, changes in Omnicom's and IPG's respective businesses, operations and prospects, market assessments of Omnicom's and IPG's businesses, operations and prospects and of the likelihood that the merger will be completed and regulatory considerations. Such factors are difficult to predict and in many cases are beyond the control of Omnicom and IPG. Consequently, at the time IPG stockholders must decide whether to approve the transaction, they will not know the market value of the merger consideration they will receive, which will depend on the market value of the shares of Omnicom common stock as of the effective time of merger.**
- **IPG stockholders will have reduced ownership in the combined company and less influence over management. Immediately after the completion of the merger, it is expected that Omnicom stockholders will own approximately 60.6% and IPG stockholders will own approximately 39.4% of the issued and outstanding shares of Omnicom common stock (As a result, current IPG stockholders will have less influence on the management and policies of the combined company than they currently have on the management and policies of IPG.**
- **The merger may not be completed, and the Merger Agreement may be terminated in accordance with its terms. The merger is subject to a number of conditions that must be satisfied or waived prior to the completion of the merger. These conditions to the completion of the merger may not be satisfied or waived in a timely manner or at all, and, accordingly, the merger may be delayed or may not be completed. In addition, if the merger is not completed by December 8, 2025 (which date may be extended to June 8, 2026 in certain circumstances), either Omnicom or IPG may choose not to proceed with the merger by terminating the Merger Agreement, and the parties can mutually decide to terminate the Merger Agreement at any time, before or after stockholder approval. In addition, Omnicom and IPG may elect to terminate the Merger Agreement in certain other circumstances.**
- **The Merger Agreement limits our ability to pursue alternatives to the merger, may discourage other companies from trying to acquire a significant interest in IPG common stock or assets and, in specified circumstances, could require us to pay Omnicom a termination fee. The Merger Agreement contains provisions that may discourage a third party from submitting a proposal for a competing transaction, including the acquisition of a significant interest in our common stock or assets. These provisions include a general prohibition on IPG from soliciting or entering into discussions with any third party regarding any such competing proposal. Furthermore, the Merger Agreement provides that if Omnicom terminates the Merger Agreement because IPG breaches certain of its obligations under the agreement, IPG will be required to pay Omnicom \$ 439 million. In addition, if the Merger Agreement is terminated due to our failure to obtain IPG stockholder approval, and at such time, Omnicom has obtained stockholder approval, IPG, may be required to reimburse the other party for its expenses incurred in connection with the transaction in an amount not to exceed \$ 25 million.**
- **Failure to complete the merger could negatively impact the price of shares of our common stock, as well as our business and financial results. The Merger Agreement contains a number of conditions that must be satisfied or waived prior to the completion of the merger. There can be no assurance that all of the conditions to the completion of the merger will be satisfied or waived. If these conditions are not satisfied or waived, Omnicom and IPG will be unable to complete the merger. If the merger is not completed for any reason, including the failure to receive the required**

approvals of the Omnicom stockholders or the IPG stockholders, Omnicom's and IPG's respective businesses and financial results may be adversely affected and, without realizing any of the benefits of having completed the merger, we would be subject to a number of risks, including:

- we may experience negative reactions from the financial markets, including negative impacts on the market price of IPG common stock;
- we may experience negative reactions from our clients, vendors, landlords, joint venture participants and other third parties with whom we do business, which in turn could affect our business operations or our ability to compete for new business or obtain renewals in the marketplace more broadly;
- we may experience negative reactions from employees;
- we would still be required to pay certain significant costs relating to the merger, including legal, accounting, financial advisor and printing fees; and
- our senior management team will have expended time and resources that could otherwise have been spent on our existing businesses and the pursuit of other opportunities that could have been beneficial to the Company, and our ongoing business and financial results may be adversely affected.

In addition to the above risks, if the Merger Agreement is terminated and our directors seek an alternative transaction, the holders of IPG's common stock cannot be certain that the Company will be able to find a party willing to engage in a transaction on more attractive terms than the merger.

- Uncertainties associated with the merger may cause a loss of management personnel and other key employees, which could adversely affect the business and operations of the combined company following the merger. Each of Omnicom and IPG depends on the experience and industry knowledge of its officers and other key employees to execute its business plans. The success of the combined company after the merger will depend, in part, on its ability to retain key management personnel and other key employees. Current and prospective employees of Omnicom and IPG may experience uncertainty about their roles within the combined company following the merger or other concerns regarding the timing and completion of the merger or the operations of the combined company following the merger, any of which may have an adverse effect on Omnicom's and IPG's ability to retain or attract key management and other key personnel. If Omnicom or IPG are unable to retain personnel, including Omnicom's or IPG's key management, who are critical to the future operations of the companies, Omnicom and IPG could face disruptions in their operations, loss of existing clients, loss of key information, expertise or know-how and unanticipated additional recruitment and training costs. In addition, the loss of Omnicom's and IPG's key personnel could diminish the anticipated benefits of the merger. No assurance can be given that the combined company, following the merger, will be able to retain or attract Omnicom's and IPG's key management personnel and other key employees to the same extent that Omnicom and IPG have previously been able to retain or attract personnel.
- Our and Omnicom's business relationships may be subject to disruption due to uncertainty associated with the merger, which could have a material effect on our business, financial condition, cash flows and results of operations or those of the combined company following the merger. Parties with which we or Omnicom do business may experience uncertainty associated with the merger, including with respect to current or future business relationships with us or Omnicom or the combined company following the merger. Omnicom's and IPG's business relationships may be subject to disruption as clients, vendors, landlords, joint venture participants and other third parties with whom they do business may attempt to delay or defer entering into new business relationships, negotiate changes in existing business relationships or consider entering into business relationships with parties other than Omnicom or IPG. These disruptions could have a material and adverse effect on our and Omnicom's business, financial condition, cash flows and results of operations, regardless of whether the merger is completed, as well as a material and adverse effect on the combined company's ability to realize the expected cost savings, operating synergies and other benefits of the merger. The risk, and adverse effects, of any disruption could be exacerbated by a delay in completion of the merger or termination of the Merger Agreement.
- Completion of the merger may trigger change-in-control or other provisions in certain agreements to which we are a party. The completion of the merger may trigger change-in-control or other provisions in certain agreements, including certain of our debt arrangements, to which we are a party. If we are unable to negotiate amendments to or waivers of those provisions, the counterparties may exercise their rights and remedies under the applicable agreements, including in some instances potentially terminating the agreements or seeking monetary damages. Even if we are able to negotiate amendments or waivers, the counterparties may require a fee for such amendments or waivers or seek to renegotiate the agreements on terms less favorable to us or the combined company.
- The Merger Agreement subjects us to restrictions on our business activities prior to the effective time of the merger. The Merger Agreement restricts us from entering into certain corporate transactions and taking other specified actions without the consent of Omnicom, and generally requires us to continue our operations in the ordinary course through the completion of the merger. These restrictions could be in place for an extended period of time if completion of the merger is delayed and could prevent us from pursuing attractive business opportunities that may arise prior to the completion of the merger.
- We are expected to incur significant costs in connection with the merger and integration of the two companies, which may be in excess of those currently anticipated. We have incurred and expect to continue to incur a number of non-recurring costs associated with negotiating and completing the merger and combining our operations with those of Omnicom. These costs have been, and will continue to be, substantial. The substantial majority of non-recurring costs will consist of transaction costs related to the merger and include, among others, fees paid to financial, legal and accounting advisors, filing fees, employee retention and other employment-related costs, and debt restructuring costs. We will bear many of these costs even if the merger is not completed. We will also incur transaction costs related to formulating and implementing integration plans, including facilities, systems and service contract consolidation costs and employment-related costs. We may incur additional unanticipated costs in connection with the merger and the integration of our businesses with those of Omnicom. Although we expect that the elimination of duplicative costs, as well as the realization of other synergies related to the integration of the businesses, should allow the combined company to offset integration-related costs over time, this net

benefit may not be achieved in the near term, or at all. For additional information, see the risk factor entitled “ — The failure to integrate IPG’ s and Omnicom’ s businesses and operations successfully in the expected time frame may adversely affect the combined company’ s business and results of operations ” below. The costs described above, as well as other unanticipated costs and expenses, could adversely affect the financial condition, cash flows and results of operations of the combined company following the completion of the merger. • Litigation relating to the merger, if any, could result in an injunction preventing the completion of the merger and / or substantial costs to IPG. Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into acquisition, merger or other business combination agreements like the Merger Agreement. Even if such a lawsuit is without merit, defending against these claims can result in substantial costs and require management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on our liquidity and financial condition. Lawsuits that may be brought against us, Omnicom, or our respective directors could also seek, among other things, injunctive relief or other equitable relief, including a request to rescind parts of the Merger Agreement already implemented and to otherwise enjoin the parties from consummating the merger. One of the conditions to the closing of the merger is that no Law or Order (each as defined in the Merger Agreement) is promulgated, entered, enforced, enacted or issued by any governmental entity of competent jurisdiction in which either Omnicom and its subsidiaries (taken as a whole) or IPG and its subsidiaries (taken as a whole) have material assets or material business operations, which prohibits, restrains or makes illegal the consummation of the merger. Consequently, if a plaintiff is successful in obtaining an injunction prohibiting completion of the merger, that injunction may delay or prevent the merger from being completed within the expected timeframe or at all, which may adversely affect our or Omnicom’ s respective businesses, financial condition, cash flows and results of operations. In addition, either Omnicom or IPG may terminate the Merger Agreement if any Law or Order has been promulgated, entered, enforced, enacted or issued by any governmental entity of competent jurisdiction in which either Omnicom and its subsidiaries (taken as a whole) or IPG and its subsidiaries (taken as a whole) have material assets or material business operations, which is in effect and permanently prohibits, restrains, enjoins or makes illegal the consummation of the merger, so long as a material breach by a party to the Merger Agreement of any of its obligations under the agreement has not been the primary cause of, or resulted in, the enactment or issuance of such Law or Order. There can be no assurance that any of the defendants would be successful in the outcome of any potential future lawsuits. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is completed may adversely affect the combined company’ s business, financial condition, cash flows and results of operations. • The failure to integrate IPG’ s and Omnicom’ s businesses and operations successfully in the expected time frame may adversely affect the combined company’ s business and results of operations. IPG and Omnicom have operated and, until the completion of the merger, will continue to operate independently. Following the completion of the merger, our companies’ businesses may not be integrated successfully. It is possible that the integration process could result in the loss of key employees, the loss of clients, service providers, vendors or other business counterparties, the disruption of either company’ s or both companies’ ongoing businesses, inconsistencies in standards, controls, procedures and policies, potential unknown liabilities and unforeseen expenses, delays, or regulatory conditions associated with and following completion of the merger; or higher- than- expected integration costs and an overall post- completion integration process that takes longer than originally anticipated. Specifically, the following challenges, among others, must be addressed in integrating IPG’ s and Omnicom’ s operations in order to realize the anticipated benefits of the merger: • combining the companies’ operations and corporate functions and the resulting difficulties associated with managing a larger, more complex, diversified business; • combining the companies’ businesses in a manner that permits the combined company to achieve the cost savings and operating synergies anticipated to result from the merger; • avoiding delays in connection with the completion of the merger or the integration process; • integrating personnel from the two companies and minimizing the loss of key employees; • identifying and eliminating redundant functions and assets; • harmonizing the companies’ operating practices, employee development and compensation programs, internal controls and other policies, procedures and processes and successfully implementing the foregoing; • maintaining existing agreements with clients, service providers, vendors and other business counterparties and avoiding delays in entering into new agreements with prospective clients, service providers, vendors and other business counterparties; • addressing possible differences in business backgrounds, corporate cultures and management philosophies; and • consolidating the companies’ operating, administrative and information technology infrastructure and financial systems In addition, at times the attention of certain members of either company’ s or both companies’ management and resources may be focused on completion of the merger and the integration of the businesses of the two companies and may reduce their availability for day- to- day business operations or other opportunities that may be beneficial, which may disrupt each company’ s ongoing operations and the operations of the combined company. Furthermore, following the merger, the board of directors and executive leadership of the combined company will consist of former directors from each of Omnicom and IPG and former executive officers from each of Omnicom and IPG. Combining the boards of directors and management teams of each company into a single board and a single management team could require the reconciliation of differing priorities and philosophies. • The merger may result in a loss of clients, service providers, vendors, joint venture participants and other business counterparties, and may result in the termination of existing contracts. Following the merger, some of Omnicom’ s and IPG’ s clients, service providers, vendors, joint venture participants and other business counterparties may terminate or scale back their current or prospective business relationships with the combined company. In addition, Omnicom and IPG have contracts with clients, service providers, vendors, joint venture participants and other business counterparties that may require Omnicom or IPG to obtain consents from these other parties in connection with the merger, which may

not be obtained on favorable terms or at all. If relationships with clients, service providers, vendors, joint venture participants and other business counterparties are adversely affected by the merger, or if the combined company, following the merger, loses the benefits of the contracts of Omnicom or IPG, the business, financial condition, cash flows and results of operations of the combined company could be adversely affected. • The combined company may fail to realize all of the anticipated benefits of the merger. The success of the merger will depend, in part, on Omnicom's ability to realize the cost savings, operating synergies and other benefits from combining Omnicom's and IPG's businesses. The anticipated cost savings, operating synergies and other benefits of the merger may not be realized fully or at all, may take longer to realize than expected, or may result in other adverse effects that Omnicom does not currently foresee, in which case, among other things, the merger may not be accretive to adjusted earnings per share for both Omnicom and IPG and may not generate significant cash to return to stockholders via dividends, share repurchases or other means. Some of the assumptions that we and Omnicom have made, such as the achievement of the anticipated benefits related to combining complementary assets to create a portfolio of services and products that expand client opportunities, and advances in both companies' ability to innovate and develop new products and services, may not be realized. The integration process may, for each of Omnicom and IPG, result in the loss of key employees, the disruption of ongoing businesses or inconsistencies in standards, controls, procedures and policies. In addition, there could be potential unknown liabilities and unforeseen expenses associated with the merger that could adversely impact the combined company. • The future results of the combined company following the merger will suffer if the combined company does not effectively manage its expanded operations. Following the merger, the size and complexity of the combined company will increase significantly compared to the business of each of Omnicom and IPG. The combined company's future success will depend, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management of a larger number of operations and geographies and associated increased costs and complexity. The combined company may also face increased scrutiny from, and / or additional regulatory requirements of, governmental authorities as a result of the significant increase in the size and complexity of its business. There can be no assurances that the combined company will be successful or that it will realize the expected operating synergies, cost savings or other benefits currently anticipated from the merger.