

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, 2024

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

Commission File Number: 1-10551

### OMNICOM GROUP INC.

(Exact name of registrant as specified in its charter)

New York

13-1514814

(State or other jurisdiction of incorporation or  
organization)

(IRS Employer Identification No.)

280 Park Avenue, New York, NY

10017

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (212) 415-3600

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities Registered Pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>     | <u>Trading Symbols</u> | <u>Name of each exchange on which<br/>registered</u> |
|--------------------------------|------------------------|------------------------------------------------------|
| Common Stock, \$0.15 Par Value | OMC                    | New York Stock Exchange                              |
| 0.800% Senior Notes due 2027   | OMC/27                 | New York Stock Exchange                              |
| 1.400% Senior Notes due 2031   | OMC/31                 | New York Stock Exchange                              |
| 3.700% Senior Notes due 2032   | OMC/32                 | New York Stock Exchange                              |
| 2.250% Senior Notes due 2033   | OMC/33                 | New York Stock Exchange                              |

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 the definitions 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 ☒

As of July 10, 2024, there were 195,648,843 shares of Omnicom Group Inc. Common Stock outstanding.

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**OMNICOM GROUP INC.****QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2024****TABLE OF CONTENTS**

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**OMNICOM GROUP INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS**

(In millions)

|                                                                                          | June 30, 2024      | December 31,<br>2023 |
|------------------------------------------------------------------------------------------|--------------------|----------------------|
|                                                                                          | (Unaudited)        |                      |
| <b>ASSETS:</b>                                                                           |                    |                      |
| Current Assets:                                                                          |                    |                      |
| Cash and cash equivalents                                                                | \$ 2,711.7         | \$ 4,432.0           |
| Accounts receivable, net of allowance for doubtful accounts of \$22.2 and \$17.2         | 8,432.5            | 8,659.8              |
| Work in process                                                                          | 1,800.0            | 1,342.5              |
| Other current assets                                                                     | 1,028.2            | 949.9                |
| Total Current Assets                                                                     | 13,972.4           | 15,384.2             |
| Property and Equipment at cost, less accumulated depreciation of \$1,133.5 and \$1,150.4 | 859.9              | 874.9                |
| Operating Lease Right-Of-Use Assets                                                      | 1,015.5            | 1,046.4              |
| Equity Method Investments                                                                | 63.3               | 66.4                 |
| Goodwill                                                                                 | 10,646.5           | 10,082.3             |
| Intangible Assets, net of accumulated amortization of \$857.3 and \$863.6                | 522.7              | 366.9                |
| Other Assets                                                                             | 243.9              | 223.5                |
| <b>TOTAL ASSETS</b>                                                                      | <b>\$ 27,324.2</b> | <b>\$ 28,044.6</b>   |
| <b>LIABILITIES AND EQUITY:</b>                                                           |                    |                      |
| Current Liabilities:                                                                     |                    |                      |
| Accounts payable                                                                         | \$ 10,647.8        | \$ 11,634.0          |
| Customer advances                                                                        | 1,262.1            | 1,356.2              |
| Current portion of debt                                                                  | 750.2              | 750.5                |
| Short-term debt                                                                          | 15.1               | 10.9                 |
| Taxes payable                                                                            | 241.1              | 351.6                |
| Other current liabilities                                                                | 2,040.8            | 2,142.8              |
| Total Current Liabilities                                                                | 14,957.1           | 16,246.0             |
| Long-Term Liabilities                                                                    | 881.0              | 887.7                |
| Long-Term Liability - Operating Leases                                                   | 806.2              | 853.0                |
| Long-Term Debt                                                                           | 5,489.4            | 4,889.1              |
| Deferred Tax Liabilities                                                                 | 533.8              | 529.1                |
| Commitments and Contingent Liabilities (Note 13)                                         |                    |                      |
| Temporary Equity - Redeemable Noncontrolling Interests                                   | 460.8              | 414.6                |
| Equity:                                                                                  |                    |                      |
| Shareholders' Equity:                                                                    |                    |                      |
| Preferred stock                                                                          | —                  | —                    |
| Common stock                                                                             | 44.6               | 44.6                 |
| Additional paid-in capital                                                               | 468.4              | 492.0                |
| Retained earnings                                                                        | 10,941.0           | 10,571.5             |
| Accumulated other comprehensive income (loss)                                            | (1,445.5)          | (1,337.6)            |
| Treasury stock, at cost                                                                  | (6,372.7)          | (6,154.2)            |
| Total Shareholders' Equity                                                               | 3,635.8            | 3,616.3              |
| Noncontrolling interests                                                                 | 560.1              | 608.8                |
| Total Equity                                                                             | 4,195.9            | 4,225.1              |

**The accompanying notes to the consolidated financial statements are an integral part of these statements.**

**OMNICOM GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited)**

(In millions, except per share amounts)

|                                                                                     | Three Months Ended<br>June 30, |                   | Six Months Ended<br>June 30, |                   |
|-------------------------------------------------------------------------------------|--------------------------------|-------------------|------------------------------|-------------------|
|                                                                                     | 2024                           | 2023              | 2024                         | 2023              |
| <b>REVENUE</b>                                                                      | <b>\$3,853.8</b>               | <b>\$ 3,609.9</b> | <b>\$7,484.3</b>             | <b>\$ 7,053.2</b> |
| <b>OPERATING EXPENSES:</b>                                                          |                                |                   |                              |                   |
| Salary and service costs                                                            | <b>2,800.1</b>                 | 2,617.8           | <b>5,492.7</b>               | 5,160.7           |
| Occupancy and other costs                                                           | <b>314.2</b>                   | 297.7             | <b>628.3</b>                 | 589.3             |
| Real estate and other repositioning costs                                           | <b>57.8</b>                    | 72.3              | <b>57.8</b>                  | 191.5             |
| Gain on disposition of subsidiary                                                   | <b>—</b>                       | (78.8)            | <b>—</b>                     | (78.8)            |
| Cost of services                                                                    | <b>3,172.1</b>                 | 2,909.0           | <b>6,178.8</b>               | 5,862.7           |
| Selling, general and administrative expenses                                        | <b>111.0</b>                   | 99.1              | <b>196.3</b>                 | 188.3             |
| Depreciation and amortization                                                       | <b>60.4</b>                    | 51.1              | <b>120.0</b>                 | 105.0             |
| <b>Total Operating Expenses</b>                                                     | <b>3,343.5</b>                 | 3,059.2           | <b>6,495.1</b>               | 6,156.0           |
| <b>OPERATING INCOME</b>                                                             | <b>510.3</b>                   | 550.7             | <b>989.2</b>                 | 897.2             |
| Interest Expense                                                                    | <b>62.7</b>                    | 57.5              | <b>116.5</b>                 | 112.4             |
| Interest Income                                                                     | <b>21.0</b>                    | 30.1              | <b>48.0</b>                  | 65.7              |
| <b>INCOME BEFORE INCOME TAXES AND<br/>INCOME FROM EQUITY METHOD<br/>INVESTMENTS</b> | <b>468.6</b>                   | 523.3             | <b>920.7</b>                 | 850.5             |
| Income Tax Expense                                                                  | <b>123.7</b>                   | 141.2             | <b>239.7</b>                 | 224.6             |
| Income From Equity Method Investments                                               | <b>3.3</b>                     | 1.1               | <b>4.2</b>                   | 1.2               |
| <b>NET INCOME</b>                                                                   | <b>348.2</b>                   | 383.2             | <b>685.2</b>                 | 627.1             |
| Net Income Attributed To Noncontrolling Interests                                   | <b>20.1</b>                    | 16.9              | <b>38.5</b>                  | 33.3              |
| <b>NET INCOME - OMNICOM GROUP INC.</b>                                              | <b>\$ 328.1</b>                | <b>\$ 366.3</b>   | <b>\$ 646.7</b>              | <b>\$ 593.8</b>   |
| Net Income Per Share - Omnicom Group Inc.:                                          |                                |                   |                              |                   |
| Basic                                                                               | <b>\$ 1.67</b>                 | \$ 1.84           | <b>\$ 3.28</b>               | \$ 2.96           |
| Diluted                                                                             | <b>\$ 1.65</b>                 | \$ 1.82           | <b>\$ 3.24</b>               | \$ 2.92           |
| Weighted Average Shares:                                                            |                                |                   |                              |                   |
| Basic                                                                               | <b>195.9</b>                   | 198.9             | <b>196.9</b>                 | 200.6             |
| Diluted                                                                             | <b>198.5</b>                   | 201.6             | <b>199.3</b>                 | 203.1             |



**The accompanying notes to the consolidated financial statements are an integral part of these statements.**

**OMNICOM GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**

(In millions)

|                                                                                  | Three Months Ended<br>June 30, |                 | Six Months Ended<br>June 30, |                 |
|----------------------------------------------------------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
|                                                                                  | 2024                           | 2023            | 2024                         | 2023            |
| <b>NET INCOME</b>                                                                | <b>\$ 348.2</b>                | <b>\$ 383.2</b> | <b>\$ 685.2</b>              | <b>\$ 627.1</b> |
| <b>OTHER COMPREHENSIVE INCOME (LOSS):</b>                                        |                                |                 |                              |                 |
| Cash flow hedge:                                                                 |                                |                 |                              |                 |
| Amortization of loss included in interest expense                                | <b>1.2</b>                     | 1.4             | <b>2.7</b>                   | 2.8             |
| Income tax effect                                                                | <b>(0.4)</b>                   | (0.4)           | <b>(0.8)</b>                 | (0.8)           |
| <b>Cash flow hedge, net of tax</b>                                               | <b>0.8</b>                     | 1.0             | <b>1.9</b>                   | 2.0             |
| Defined benefit pension plans and postemployment arrangements:                   |                                |                 |                              |                 |
| Amortization of prior service cost                                               | <b>1.2</b>                     | 1.0             | <b>2.4</b>                   | 2.1             |
| Amortization of actuarial losses                                                 | <b>0.2</b>                     | 0.2             | <b>0.5</b>                   | 0.4             |
| Income tax effect                                                                | <b>(0.5)</b>                   | 0.1             | <b>(2.3)</b>                 | (0.8)           |
| <b>Defined benefit pension plans and postemployment arrangements, net of tax</b> | <b>0.9</b>                     | 1.3             | <b>0.6</b>                   | 1.7             |
| <b>Foreign currency translation adjustment</b>                                   | <b>(31.9)</b>                  | 24.5            | <b>(118.2)</b>               | 76.2            |
| <b>Other Comprehensive Income (Loss)</b>                                         | <b>(30.2)</b>                  | 26.8            | <b>(115.7)</b>               | 79.9            |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                                | <b>318.0</b>                   | 410.0           | <b>569.5</b>                 | 707.0           |
| Comprehensive Income Attributed To Noncontrolling Interests                      | <b>19.5</b>                    | 13.3            | <b>30.7</b>                  | 29.5            |
| <b>COMPREHENSIVE INCOME - OMNICOM GROUP INC.</b>                                 | <b>\$ 298.5</b>                | <b>\$ 396.7</b> | <b>\$ 538.8</b>              | <b>\$ 677.5</b> |

**The accompanying notes to the consolidated financial statements are an integral part of these statements.**

**OMNICOM GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
**(Unaudited)**

(In millions, except per share amounts)

|                                                           | Three Months Ended<br>June 30, |            | Six Months Ended<br>June 30, |            |
|-----------------------------------------------------------|--------------------------------|------------|------------------------------|------------|
|                                                           | 2024                           | 2023       | 2024                         | 2023       |
| <b>COMMON STOCK - Shares</b>                              | <b>297.2</b>                   | 297.2      | <b>297.2</b>                 | 297.2      |
| <b>COMMON STOCK - Par Value</b>                           | <b>\$ 44.6</b>                 | \$ 44.6    | <b>\$ 44.6</b>               | \$ 44.6    |
| <b>ADDITIONAL PAID-IN CAPITAL:</b>                        |                                |            |                              |            |
| Beginning Balance                                         | <b>512.0</b>                   | 580.7      | <b>492.0</b>                 | 571.1      |
| Net change in noncontrolling interests                    | <b>(15.1)</b>                  | (41.4)     | <b>9.5</b>                   | (79.9)     |
| Change in temporary equity                                | <b>(33.7)</b>                  | 32.8       | <b>(50.1)</b>                | 54.1       |
| Share-based compensation                                  | <b>22.6</b>                    | 20.4       | <b>44.7</b>                  | 41.1       |
| Stock issued, share-based compensation                    | <b>(17.4)</b>                  | (6.7)      | <b>(27.7)</b>                | (0.6)      |
| <b>Ending Balance</b>                                     | <b>468.4</b>                   | 585.8      | <b>468.4</b>                 | 585.8      |
| <b>RETAINED EARNINGS:</b>                                 |                                |            |                              |            |
| Beginning Balance                                         | <b>10,751.3</b>                | 9,825.5    | <b>10,571.5</b>              | 9,739.3    |
| Net income                                                | <b>328.1</b>                   | 366.3      | <b>646.7</b>                 | 593.8      |
| Common stock dividends declared                           | <b>(138.4)</b>                 | (140.4)    | <b>(277.2)</b>               | (281.7)    |
| <b>Ending Balance</b>                                     | <b>10,941.0</b>                | 10,051.4   | <b>10,941.0</b>              | 10,051.4   |
| <b>ACCUMULATED OTHER COMPREHENSIVE<br/>INCOME (LOSS):</b> |                                |            |                              |            |
| Beginning Balance                                         | <b>(1,415.9)</b>               | (1,384.5)  | <b>(1,337.6)</b>             | (1,437.9)  |
| Other comprehensive income (loss)                         | <b>(29.6)</b>                  | 30.3       | <b>(107.9)</b>               | 83.7       |
| <b>Ending Balance</b>                                     | <b>(1,445.5)</b>               | (1,354.2)  | <b>(1,445.5)</b>             | (1,354.2)  |
| <b>TREASURY STOCK:</b>                                    |                                |            |                              |            |
| Beginning Balance                                         | <b>(6,322.5)</b>               | (5,949.7)  | <b>(6,154.2)</b>             | (5,665.0)  |
| Stock issued, share-based compensation                    | <b>19.9</b>                    | 14.1       | <b>33.5</b>                  | 34.5       |
| Common stock repurchased                                  | <b>(70.1)</b>                  | (238.5)    | <b>(252.0)</b>               | (543.6)    |
| <b>Ending Balance</b>                                     | <b>(6,372.7)</b>               | (6,174.1)  | <b>(6,372.7)</b>             | (6,174.1)  |
| <b>SHAREHOLDERS' EQUITY</b>                               | <b>3,635.8</b>                 | 3,153.5    | <b>3,635.8</b>               | 3,153.5    |
| <b>NONCONTROLLING INTERESTS:</b>                          |                                |            |                              |            |
| Beginning Balance                                         | <b>564.7</b>                   | 514.6      | <b>608.8</b>                 | 524.3      |
| Net income                                                | <b>20.1</b>                    | 16.9       | <b>38.5</b>                  | 33.3       |
| Other comprehensive income (loss)                         | <b>(0.6)</b>                   | (3.6)      | <b>(7.8)</b>                 | (3.8)      |
| Dividends to noncontrolling interests                     | <b>(20.9)</b>                  | (19.5)     | <b>(34.2)</b>                | (32.0)     |
| Net change in noncontrolling interests                    | <b>(3.2)</b>                   | (2.5)      | <b>(45.2)</b>                | (15.9)     |
| <b>Ending Balance</b>                                     | <b>560.1</b>                   | 505.9      | <b>560.1</b>                 | 505.9      |
| <b>TOTAL EQUITY</b>                                       | <b>\$4,195.9</b>               | \$ 3,659.4 | <b>\$4,195.9</b>             | \$ 3,659.4 |
| <b>Dividends Declared Per Common Share</b>                | <b>\$ 0.70</b>                 | \$ 0.70    | <b>\$ 1.40</b>               | \$ 1.40    |

**The accompanying notes to the consolidated financial statements are an integral part of these statements.**

**OMNICOM GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

(In millions)

|                                                                               | Six Months Ended<br>June 30, |                   |
|-------------------------------------------------------------------------------|------------------------------|-------------------|
|                                                                               | 2024                         | 2023              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                  |                              |                   |
| Net income                                                                    | \$ 685.2                     | \$ 627.1          |
| Adjustments to reconcile net income to net cash used in operating activities: |                              |                   |
| Depreciation and amortization of right-of-use assets                          | 67.9                         | 66.4              |
| Amortization of intangible assets                                             | 52.1                         | 38.6              |
| Share-based compensation                                                      | 44.7                         | 41.1              |
| Real estate and other repositioning costs                                     | 57.8                         | 191.5             |
| Gain on disposition of subsidiary                                             | —                            | (78.8)            |
| Other, net                                                                    | (6.4)                        | (5.7)             |
| Use of operating capital                                                      | (1,661.5)                    | (1,664.8)         |
| Net Cash Used In Operating Activities                                         | (760.2)                      | (784.6)           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                  |                              |                   |
| Capital expenditures                                                          | (62.3)                       | (40.0)            |
| Acquisition of businesses and interests in affiliates, net of cash acquired   | (790.3)                      | (6.1)             |
| Other, net                                                                    | (13.7)                       | 178.7             |
| Net Cash (Used In) Provided By Investing Activities                           | (866.3)                      | 132.6             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                  |                              |                   |
| Proceeds from borrowings                                                      | 645.9                        | —                 |
| Change in short-term debt                                                     | 5.2                          | 1.7               |
| Dividends paid to common shareholders                                         | (278.9)                      | (285.1)           |
| Repurchases of common stock                                                   | (249.8)                      | (538.8)           |
| Proceeds from stock plans                                                     | 3.5                          | 33.2              |
| Acquisition of additional noncontrolling interests                            | (26.5)                       | (34.7)            |
| Dividends paid to noncontrolling interest shareholders                        | (34.2)                       | (32.0)            |
| Payment of contingent purchase price obligations                              | (12.6)                       | (14.3)            |
| Other, net                                                                    | (37.7)                       | (27.0)            |
| Net Cash Provided By (Used In) Financing Activities                           | 14.9                         | (897.0)           |
| <b>Effect of foreign exchange rate changes on cash and cash equivalents</b>   | <b>(108.7)</b>               | <b>1.3</b>        |
| Net Decrease in Cash and Cash Equivalents                                     | (1,720.3)                    | (1,547.7)         |
| Cash and Cash Equivalents at the Beginning of Period                          | 4,432.0                      | 4,281.8           |
| <b>Cash and Cash Equivalents at the End of Period</b>                         | <b>\$ 2,711.7</b>            | <b>\$ 2,734.1</b> |



**The accompanying notes to the consolidated financial statements are an integral part of these statements.**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

(Dollars in tables in millions, except per share amounts)

### **1. Presentation of Financial Statements**

The terms “Omnicom,” “the Company,” “we,” “our” and “us” each refer to Omnicom Group Inc. and its subsidiaries, unless the context indicates otherwise. The accompanying unaudited consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP or GAAP, for interim financial information and Article 10 of Regulation S-X of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures have been condensed or omitted.

In our opinion, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation, in all material respects, of the information contained herein. These unaudited consolidated financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023, or 2023 10-K. Results for the interim periods are not necessarily indicative of results that may be expected for the year.

### **Risks and Uncertainties**

Global economic challenges, including geopolitical events, international hostilities, acts of terrorism, public health crises, high and sustained inflation in countries that comprise our major markets, high interest rates, and labor and supply chain issues could cause economic uncertainty and volatility. The impact of these issues on our business will vary by geographic market and discipline. We monitor economic conditions closely, as well as client revenue levels and other factors. In response to reductions in revenue, we can take actions to align our cost structure with changes in client demand and manage our working capital. However, there can be no assurance as to the effectiveness of our efforts to mitigate any impact of the current and future adverse economic conditions, reductions in client revenue, changes in client creditworthiness and other developments.

### **2. Revenue**

#### **Nature of our services**

We provide an extensive range of advertising, marketing and corporate communications services through various client-centric networks that are organized to meet specific client objectives. Our networks, practice areas and agencies provide a comprehensive range of services in the following fundamental disciplines: Advertising & Media, Precision Marketing, Public Relations, Healthcare, Branding & Retail Commerce, Experiential, and Execution & Support. Advertising & Media includes creative services across digital and traditional media, strategic media planning and buying, performance media and data analytics services. Precision Marketing includes digital and direct marketing, digital transformation consulting, e-commerce operations, media execution, market intelligence and data and analytics. Public Relations services include corporate communications, crisis management, public affairs and media and media relations services. Healthcare includes corporate communications and advertising and media services to global healthcare and pharmaceutical companies. Branding & Retail Commerce services include brand and product consulting, strategy and research and retail marketing. Experiential marketing services include live and digital events and experience design and execution. Execution & Support includes field marketing, sales support, digital and physical merchandising, point-of-sale and product placement, as well as other specialized marketing and custom communications services. At the core of all our services is the ability to create or develop a client’s marketing or corporate communications

message into content that can be delivered to a target audience across different communications mediums.

### **Economic factors affecting our revenue**

Global economic conditions have a direct impact on our revenue. Adverse economic conditions pose a risk that our clients may reduce, postpone or cancel spending for our services, which would impact our revenue.

Revenue by discipline:

|                            | <b>Three Months Ended June</b> |             | <b>Six Months Ended June 30,</b> |             |
|----------------------------|--------------------------------|-------------|----------------------------------|-------------|
|                            | <b>30,</b>                     |             |                                  |             |
|                            | <b>2024</b>                    | <b>2023</b> | <b>2024</b>                      | <b>2023</b> |
| Advertising & Media        | <b>\$ 2,046.8</b>              | \$ 1,911.5  | <b>\$ 3,953.6</b>                | \$ 3,688.0  |
| Precision Marketing        | <b>438.8</b>                   | 369.0       | <b>877.0</b>                     | 729.0       |
| Public Relations           | <b>418.2</b>                   | 393.6       | <b>808.5</b>                     | 769.1       |
| Healthcare                 | <b>353.1</b>                   | 349.3       | <b>676.7</b>                     | 667.7       |
| Branding & Retail Commerce | <b>199.3</b>                   | 210.5       | <b>399.5</b>                     | 420.1       |
| Experiential               | <b>186.1</b>                   | 164.4       | <b>346.0</b>                     | 312.2       |
| Execution & Support        | <b>211.5</b>                   | 211.6       | <b>423.0</b>                     | 467.1       |
| <b>Revenue</b>             | <b>\$ 3,853.8</b>              | \$ 3,609.9  | <b>\$ 7,484.3</b>                | \$ 7,053.2  |

Revenue by geographic market:

|                        | Three Months Ended June 30, |                   | Six Months Ended June 30, |                   |
|------------------------|-----------------------------|-------------------|---------------------------|-------------------|
|                        | 2024                        | 2023              | 2024                      | 2023              |
| Americas:              |                             |                   |                           |                   |
| North America          | \$ 2,148.4                  | \$ 1,978.8        | \$ 4,189.3                | \$ 3,905.6        |
| Latin America          | 106.4                       | 84.6              | 202.9                     | 158.6             |
| EMEA:                  |                             |                   |                           |                   |
| Europe                 | 1,101.9                     | 1,045.6           | 2,107.7                   | 1,997.5           |
| Middle East and Africa | 65.6                        | 62.6              | 145.2                     | 147.5             |
| Asia-Pacific           | 431.5                       | 438.3             | 839.2                     | 844.0             |
| <b>Revenue</b>         | <b>\$ 3,853.8</b>           | <b>\$ 3,609.9</b> | <b>\$ 7,484.3</b>         | <b>\$ 7,053.2</b> |

The Americas is comprised of North America, which includes the United States, Canada and Puerto Rico, and Latin America, which includes South America and Mexico. EMEA is comprised of Europe, the Middle East and Africa. Asia-Pacific includes Australia, Greater China, India, Japan, Korea, New Zealand, Singapore and other Asian countries. Revenue in the United States for the three months ended June 30, 2024, and 2023 was \$2,033.4 million and \$1,850.6 million, respectively, and revenue in the United States for the six months ended June 30, 2024, and 2023 was \$3,959.3 million and \$3,662.8 million, respectively.

### Contract balances

Contract balances include work in process and customer advances, which primarily consist of advance billings to customers in accordance with the terms of the client contracts, primarily for the reimbursement of third-party costs.

|                                             | December 31,      |                   |                   |
|---------------------------------------------|-------------------|-------------------|-------------------|
|                                             | June 30, 2024     | 2023              | June 30, 2023     |
| Work in process:                            |                   |                   |                   |
| Media and production costs                  | \$ 843.9          | \$ 664.4          | \$ 797.1          |
| Unbilled fees and costs and contract assets | 956.1             | 678.1             | 840.9             |
| <b>Work in process</b>                      | <b>\$ 1,800.0</b> | <b>\$ 1,342.5</b> | <b>\$ 1,638.0</b> |
| <b>Customer advances</b>                    | <b>\$ 1,262.1</b> | <b>\$ 1,356.2</b> | <b>\$ 1,159.7</b> |

There were no work in process impairment charges recorded in the six months ended June 30, 2024 and 2023.

### 3. Net Income per Share

Basic and diluted net income per share:

|                                                   | Three Months Ended June |                 | Six Months Ended June 30, |                 |
|---------------------------------------------------|-------------------------|-----------------|---------------------------|-----------------|
|                                                   | 30,                     |                 |                           |                 |
|                                                   | 2024                    | 2023            | 2024                      | 2023            |
| <b>Net Income - Omnicom Group Inc.</b>            | <b>\$ 328.1</b>         | <b>\$ 366.3</b> | <b>\$ 646.7</b>           | <b>\$ 593.8</b> |
| Weighted Average Shares (millions):               |                         |                 |                           |                 |
| Basic                                             | <b>195.9</b>            | 198.9           | <b>196.9</b>              | 200.6           |
| Dilutive stock options and restricted shares      | <b>2.6</b>              | 2.7             | <b>2.4</b>                | 2.5             |
| Diluted                                           | <b>198.5</b>            | 201.6           | <b>199.3</b>              | 203.1           |
| <b>Net Income per Share - Omnicom Group Inc.:</b> |                         |                 |                           |                 |
| <b>Basic</b>                                      | <b>\$1.67</b>           | \$1.84          | <b>\$3.28</b>             | \$2.96          |
| <b>Diluted</b>                                    | <b>\$1.65</b>           | \$1.82          | <b>\$3.24</b>             | \$2.92          |

#### 4. Business Combinations

On January 2, 2024, we acquired Flywheel Digital, the digital commerce business of Ascential plc, for a net cash purchase price of approximately \$845 million. The financial statements of Flywheel Digital are included in our consolidated financial statements as of and for the period ended June 30, 2024. The acquisition of Flywheel Digital did not have a material effect on our financial position or results of operations in the three and six months ended June 30, 2024 and is not expected to do so for the remainder of the year. The principal tangible assets and liabilities acquired were net working capital, and the intangible assets acquired were primarily comprised of customer relationships, intellectual property, trade name and goodwill. We expect goodwill attributed to the U.S. operations of Flywheel Digital to be tax deductible. The allocation of the purchase price to the underlying assets is undergoing a formal valuation process and is substantially complete. As a result, as of June 30, 2024, we estimated amortizable intangible assets to be \$182.6 million. We do not expect any changes arising from the completion of the purchase price allocation to be material to our financial position or results of operations.

## 5. Goodwill and Intangible Assets

Change in goodwill:

|                                                              | Six Months Ended June 30, |            |
|--------------------------------------------------------------|---------------------------|------------|
|                                                              | 2024                      | 2023       |
| January 1                                                    | <b>\$10,082.3</b>         | \$ 9,734.3 |
| Acquisitions                                                 | <b>657.5</b>              | 3.2        |
| Noncontrolling interests in acquired businesses              | <b>10.7</b>               | —          |
| Contingent purchase price obligations of acquired businesses | <b>—</b>                  | 3.3        |
| Dispositions                                                 | <b>(5.9)</b>              | (118.6)    |
| Foreign currency translation                                 | <b>(98.1)</b>             | 81.2       |
| <b>June 30</b>                                               | <b>\$10,646.5</b>         | \$ 9,703.4 |

The increase in goodwill during the six months ended June 30, 2024 is primarily attributable to the acquisition of Flywheel Digital. There were no goodwill impairment losses recorded in the six months ended June 30, 2024 and 2023, and there are no accumulated goodwill impairment losses.

Intangible assets:

|                                                                               | June 30, 2024        |                          |                    | December 31, 2023    |                          |                    |
|-------------------------------------------------------------------------------|----------------------|--------------------------|--------------------|----------------------|--------------------------|--------------------|
|                                                                               | Gross Carrying Value | Accumulated Amortization | Net Carrying Value | Gross Carrying Value | Accumulated Amortization | Net Carrying Value |
| Acquired intangible assets and internally developed strategic platform assets | <b>\$1,088.6</b>     | <b>\$ (598.5)</b>        | <b>\$ 490.1</b>    | \$ 902.6             | \$ (572.9)               | \$ 329.7           |
| Other purchased and internally developed software                             | <b>291.4</b>         | <b>(258.8)</b>           | <b>32.6</b>        | 327.9                | (290.7)                  | 37.2               |
| <b>Total Intangible Assets</b>                                                | <b>\$1,380.0</b>     | <b>\$ (857.3)</b>        | <b>\$ 522.7</b>    | \$ 1,230.5           | \$ (863.6)               | \$ 366.9           |

Amortization of intangible assets:

|                                                                               | Three Months Ended June 30, |         | Six Months Ended June 30, |         |
|-------------------------------------------------------------------------------|-----------------------------|---------|---------------------------|---------|
|                                                                               | 2024                        | 2023    | 2024                      | 2023    |
| Acquired intangible assets and internally developed strategic platform assets | \$ <b>21.5</b>              | \$ 14.7 | \$ <b>43.0</b>            | \$ 29.5 |
| Other purchased and internally developed software                             | <b>4.8</b>                  | 4.6     | <b>9.1</b>                | 9.1     |
| <b>Amortization Expense</b>                                                   | <b>\$ 26.3</b>              | \$ 19.3 | <b>\$ 52.1</b>            | \$ 38.6 |

We completed our annual goodwill impairment test as of May 1, 2024. The market assumptions used in our assessment reflected the current economic environment (see Note

1- Risks and Uncertainties). Based on the results of our impairment test, we concluded that at May 1, 2024 our goodwill was not impaired.

## **6. Debt**

### **Credit Facilities**

Our \$2.5 billion unsecured multi-currency revolving credit facility, or Credit Facility terminates on June 2, 2028. The \$600 million Delayed Draw Term Loan Agreement, or Term Loan Facility automatically terminated on July 15, 2024. We have the ability to issue up to \$2 billion of U.S. Dollar denominated commercial paper and issue up to the equivalent of \$500 million in British Pounds or Euro under a Euro commercial paper program. During the three months ended June 30, 2024, there were no drawings under the Credit Facility or the Term Loan Facility, and no commercial paper issuances. In addition, certain of our international subsidiaries have uncommitted credit lines that are guaranteed by Omnicom, aggregating \$503.5 million. All of these facilities provide additional liquidity sources for operating capital and general corporate purposes.

The Credit Facility has and Term Loan Facility had a financial covenant that requires us to maintain a Leverage Ratio of consolidated indebtedness to consolidated EBITDA (earnings before interest, taxes, depreciation, amortization and non-cash charges) of no more than 3.5 times for the most recently ended 12-month period. At June 30, 2024, we were in compliance with this covenant as our Leverage Ratio was 2.6 times. The Credit Facility does not limit our ability to declare or pay dividends or repurchase our common stock.

### **Short-Term Debt**

Short-term debt of \$15.1 million and \$10.9 million at June 30, 2024 and December 31, 2023, respectively, represented bank overdrafts and short-term borrowings primarily of our international subsidiaries. Due to the short-term nature of this debt, carrying value approximates fair value.

## Long-Term Debt

Long-term debt:

|                                                                       | June 30, 2024     | December 31, 2023 |
|-----------------------------------------------------------------------|-------------------|-------------------|
| 3.65% Senior Notes due 2024                                           | \$ 750.0          | \$ 750.0          |
| 3.60% Senior Notes due 2026                                           | 1,400.0           | 1,400.0           |
| €500 million 0.80% Senior Notes due 2027                              | 535.2             | 553.0             |
| 2.45% Senior Notes due 2030                                           | 600.0             | 600.0             |
| 4.20% Senior Notes due 2030                                           | 600.0             | 600.0             |
| €500 million 1.40% Senior Notes due 2031                              | 535.2             | 553.0             |
| 2.60% Senior Notes due 2031                                           | 800.0             | 800.0             |
| €600 million 3.70% Senior Notes due 2032                              | 642.2             | —                 |
| £325 million 2.25% Senior Notes due 2033                              | 410.8             | 413.9             |
| Long-Term Debt, Gross                                                 | 6,273.4           | 5,669.9           |
| Unamortized discount                                                  | (8.4)             | (7.8)             |
| Unamortized debt issuance costs                                       | (24.8)            | (22.3)            |
| Unamortized deferred loss from settlement of interest rate swaps, net | (0.6)             | (0.2)             |
| Current portion                                                       | (750.2)           | (750.5)           |
| <b>Long-Term Debt</b>                                                 | <b>\$ 5,489.4</b> | <b>\$ 4,889.1</b> |

On March 6, 2024, Omnicom Finance Holdings plc, or OFH, a U.K.-based wholly owned subsidiary of Omnicom, issued €600 million 3.70% Senior Notes due 2032, or 2032 Notes. The net proceeds from the issuance, after deducting the underwriting discount and offering expenses, were \$643.1 million.

Our 2.45% Senior Notes due 2030, 4.20% Senior Notes due 2030 and 2.60% Senior Notes due 2031 are senior unsecured obligations of Omnicom that rank equal in right of payment with all existing and future unsecured senior indebtedness.

Omnicom and its wholly owned finance subsidiary, Omnicom Capital Inc., or OCI, are co-obligors under the 3.65% Senior Notes due 2024 and the 3.60% Senior Notes due 2026. These notes are a joint and several liability of Omnicom and OCI, and Omnicom unconditionally guarantees OCI's obligations with respect to the notes. OCI provides funding for our operations by incurring debt and lending the proceeds to our operating subsidiaries. OCI's assets primarily consist of cash and cash equivalents and intercompany loans made to our operating subsidiaries, and the related interest receivable. There are no restrictions on the ability of OCI or Omnicom to obtain funds from our subsidiaries through dividends, loans, or advances. Such notes are senior unsecured obligations that rank equal in right of payment with all existing and future unsecured senior indebtedness.

Omnicom and OCI have, jointly and severally, fully, and unconditionally guaranteed the obligations of OFH with respect to the €500 million 0.80% Senior Notes due 2027 and the €500 million 1.40% Senior Notes due 2031, and Omnicom has fully and unconditionally guaranteed the obligations of OFH with respect to the €600 million 3.70% 2032 Notes, collectively the Euro Notes. OFH's assets consist of its investments in several wholly owned



finance companies that function as treasury centers, providing funding for various operating companies in Europe, Australia, and other countries in the Asia-Pacific region. The finance companies' assets consist of cash and cash equivalents and intercompany loans that they make or have made to the operating companies in their respective regions and the related interest receivable. There are no restrictions on the ability of Omnicom, OCI or OFH to obtain funds from their subsidiaries through dividends, loans, or advances. The Euro Notes and the related guarantees are senior unsecured obligations that rank equal in right of payment with all existing and future unsecured senior indebtedness of OFH and each of Omnicom and OCI, as applicable.

Omnicom has fully and unconditionally guaranteed the obligations of Omnicom Capital Holdings plc, or OCH, a U.K.-based wholly owned subsidiary of Omnicom, with respect to the £325 million 2.25% Senior Notes due 2033, or the Sterling Notes. OCH's assets consist of its investments in several wholly owned finance companies that function as treasury centers, providing funding for various operating companies in EMEA, Australia, and other countries in the Asia-Pacific region. The finance companies' assets consist of cash and cash equivalents and intercompany loans that they make or have made to the operating companies in their respective regions and the related interest receivable. There are no restrictions on the ability of Omnicom or OCH to obtain funds from their subsidiaries through dividends, loans, or advances. The Sterling Notes and the related guarantee are senior unsecured obligations that rank equal in right of payment with all existing and future unsecured senior indebtedness of OCH and Omnicom, respectively.

## 7. Segment Reporting

Our branded agency networks operate in the advertising, marketing and corporate communications services industry, and are organized into agency networks, virtual client networks, regional reporting units and operating groups or practice areas. Our networks, virtual client networks and agencies increasingly share clients and provide clients with integrated services. The main economic components of each agency are employee compensation and related costs, direct service costs and occupancy and other costs, which include rent and occupancy costs, technology costs and other overhead expenses. Therefore, given these similarities, we aggregate our six operating segments, which are our agency networks, into one reporting segment.

The agency networks' regional reporting units comprise three principal regions: the Americas, EMEA and Asia-Pacific. The regional reporting units monitor the performance of and are responsible for the agencies in their region. Agencies within the regional reporting units serve similar clients in similar industries and, in many cases, the same clients, and have similar economic characteristics.

Revenue and long-lived assets and goodwill by geographic region:

|                                | Americas   | EMEA       | Asia-Pacific |
|--------------------------------|------------|------------|--------------|
| <b>June 30, 2024</b>           |            |            |              |
| Revenue - Three months ended   | \$ 2,254.8 | \$ 1,167.5 | \$ 431.5     |
| Revenue - Six months ended     | \$ 4,392.2 | \$ 2,252.9 | \$ 839.2     |
| Long-lived assets and goodwill | \$ 8,038.9 | \$ 3,773.3 | \$ 709.7     |
| <b>June 30, 2023</b>           |            |            |              |
| Revenue - Three months ended   | \$ 2,063.4 | \$ 1,108.2 | \$ 438.3     |
| Revenue - Six months ended     | \$ 4,064.2 | \$ 2,145.0 | \$ 844.0     |
| Long-lived assets and goodwill | \$ 7,521.9 | \$ 3,431.1 | \$ 706.5     |

## 8. Income Taxes

Our effective tax rate for the six months ended June 30, 2024 decreased period-over-period to 26.0% from 26.4%. The effective tax rate for six months ended June 30, 2024 includes the favorable impact from the resolution of certain non-U.S. tax positions of \$7.5 million. The effective tax rate for the six months ended June 30, 2023 includes an increase of approximately \$10.7 million in income tax expense related to a lower tax benefit in certain jurisdictions for the real estate and other repositioning costs in the period and an increase in the U.K. statutory tax rate, partially offset by approximately \$10.0 million of favorable impacts from the resolution of certain non-U.S. tax positions.

Numerous foreign jurisdictions have enacted or are in the process of enacting legislation to adopt a minimum effective tax rate described in the Global Anti-Base Erosion, or Pillar Two, model rules issued by the Organization for Economic Co-operation and Development, or OECD. Under such rules, a minimum effective tax rate of 15% would apply to multinational companies with consolidated revenue above €750 million.

Under the Pillar Two rules, a company would be required to determine a combined effective tax rate for all entities located in a jurisdiction. If the jurisdictional effective tax rate determined under the Pillar Two rules is less than 15%, a top-up tax will be due to bring the jurisdictional effective tax rate up to 15%. We are continuing to monitor the pending

implementation of Pillar Two by individual countries and the potential effects of Pillar Two on our business. The provisions effective in 2024 do not have a materially adverse impact on our results of operations, financial position, or cash flows.

At June 30, 2024, our unrecognized tax benefits were \$176.7 million. Of this amount, approximately \$170.3 million would affect our effective tax rate upon resolution of the uncertain tax positions.

## 9. Pension and Other Postemployment Benefits

Net periodic benefit expense:

|                                           | <b>Defined Benefit<br/>Pension Plans</b> |               | <b>Postemployment<br/>Arrangements</b> |               |
|-------------------------------------------|------------------------------------------|---------------|----------------------------------------|---------------|
|                                           | <b>Six Months Ended June 30,</b>         |               | <b>Six Months Ended June 30,</b>       |               |
|                                           | <b>2024</b>                              | <b>2023</b>   | <b>2024</b>                            | <b>2023</b>   |
| Service cost                              | \$ 1.1                                   | \$ 1.7        | \$ 1.5                                 | \$ 1.7        |
| Interest cost                             | 2.9                                      | 5.1           | 3.0                                    | 2.8           |
| Expected return on plan assets            | (0.4)                                    | (0.5)         | —                                      | —             |
| Amortization of prior service cost        | 0.2                                      | 0.2           | 2.2                                    | 1.9           |
| Amortization of actuarial losses          | 0.4                                      | 0.4           | 0.1                                    | —             |
| <b>Total net periodic benefit expense</b> | <b>\$ 4.2</b>                            | <b>\$ 6.9</b> | <b>\$ 6.8</b>                          | <b>\$ 6.4</b> |

In the six months ended June 30, 2024 and 2023, we contributed \$0.1 million and \$0.3 million to our defined benefit pension plans, respectively.

## 10. Real Estate and Other Repositioning Costs

In connection with our strategic initiatives, for the three and six months ended June 30, 2024, operating expenses included \$57.8 million (\$42.9 million after-tax) in the second quarter of 2024 primarily reflecting severance actions related to ongoing efficiency initiatives including strategic agency consolidation in our smaller international markets and the launch of our centralized production strategy. There were no significant real estate repositioning charges during the three and six months ended June 30, 2024.

In connection with the transition to a flexible working environment, a hybrid model which allows for partial remote work, we took certain actions in the first quarter of 2023 to reduce and reposition our office lease portfolio. In the second quarter of 2023, as a result of our continuing efforts to increase efficiencies and relevant skill sets to meet client demands, we incurred severance charges and other exit costs associated with rebalancing our workforce and consolidating operations in certain markets. As a result, for the three and six months ended June 30, 2023, operating expenses included \$72.3 million (\$54.5 million after-tax) primarily related to severance actions in the second quarter of 2023 and \$191.5 million (\$145.5 million after-tax), respectively, related to non-cash impairment charges for the operating lease right-of-use, or ROU, assets, severance charges, and other exit costs. Substantially all of the operating lease payments related to the ROU assets will be paid out over two years.

## 11. Disposition of Subsidiaries

In April 2023, we disposed of certain research businesses included in our Execution & Support discipline. As a result, for the three and six months ended June 30, 2023, we recorded a pretax gain of \$78.8 million. The disposition did not have a material impact on our ongoing results of operations or financial position.

## 12. Supplemental Cash Flow Data

Change in operating capital:

|                                                                                       | Six Months Ended June 30, |              |
|---------------------------------------------------------------------------------------|---------------------------|--------------|
|                                                                                       | 2024                      | 2023         |
| (Increase) decrease in accounts receivable                                            | \$ 340.2                  | \$ 584.6     |
| (Increase) decrease in work in process and other current assets                       | (474.7)                   | (394.3)      |
| Increase (decrease) in accounts payable                                               | (985.8)                   | (1,016.1)    |
| Increase (decrease) in customer advances, taxes payable and other current liabilities | (489.6)                   | (786.3)      |
| Change in other assets and liabilities, net                                           | (51.6)                    | (52.7)       |
| Increase (decrease) in operating capital                                              | \$ (1,661.5)              | \$ (1,664.8) |

Supplemental financial information:

|                   |          |          |
|-------------------|----------|----------|
| Income taxes paid | \$ 306.4 | \$ 289.1 |
| Interest paid     | \$ 70.7  | \$ 75.2  |

Non-cash increase in lease liabilities:

|                  |    |             |    |      |
|------------------|----|-------------|----|------|
| Operating leases | \$ | <b>93.6</b> | \$ | 77.4 |
| Finance leases   | \$ | <b>25.0</b> | \$ | 25.6 |

### **13. Commitments and Contingent Liabilities**

In the ordinary course of business, we are involved in various legal proceedings. We do not presently expect that such proceedings will have a material adverse effect on our results of operations or financial position.

#### 14. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss), net of income taxes:

|                                                                           | Cash<br>Flow<br>Hedge          | Defined Benefit<br>Pension Plans<br>and<br>Postemployment<br>Arrangements | Foreign<br>Currency<br>Translation | Total       |
|---------------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------|------------------------------------|-------------|
|                                                                           | Six Months Ended June 30, 2024 |                                                                           |                                    |             |
| January 1                                                                 | \$ (8.1)                       | \$ (42.7)                                                                 | \$(1,286.8)                        | \$(1,337.6) |
| Other comprehensive income (loss)<br>before reclassifications             | —                              | —                                                                         | (110.4)                            | (110.4)     |
| Reclassification from accumulated<br>other comprehensive<br>income (loss) | 1.9                            | 0.6                                                                       | —                                  | 2.5         |
| June 30                                                                   | \$ (6.2)                       | \$ (42.1)                                                                 | \$(1,397.2)                        | \$(1,445.5) |
|                                                                           | Six Months Ended June 30, 2023 |                                                                           |                                    |             |
| January 1                                                                 | \$ (12.1)                      | \$ (41.3)                                                                 | \$(1,384.5)                        | \$(1,437.9) |
| Other comprehensive income (loss) before<br>reclassifications             | —                              | —                                                                         | 80.0                               | 80.0        |
| Reclassification from accumulated other<br>comprehensive<br>income (loss) | 2.0                            | 1.7                                                                       | —                                  | 3.7         |
| June 30                                                                   | \$ (10.1)                      | \$ (39.6)                                                                 | \$(1,304.5)                        | \$(1,354.2) |

#### 15. Fair Value

Financial assets and liabilities are recorded at fair value based on the following:

- **Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities.
- **Level 2:** Unadjusted quoted prices in active markets for similar assets or liabilities; unadjusted quoted prices for identical assets or liabilities in markets that are not active; and model-derived valuations with observable inputs.
- **Level 3:** Unobservable inputs for the asset or liability.

Financial assets and liabilities measured at fair value on a recurring basis:

|                                             | June 30, 2024 |         |         |           | December 31, 2023 |         |         |           |
|---------------------------------------------|---------------|---------|---------|-----------|-------------------|---------|---------|-----------|
|                                             | Level 1       | Level 2 | Level 3 | Total     | Level 1           | Level 2 | Level 3 | Total     |
| Assets:                                     |               |         |         |           |                   |         |         |           |
| Cash and cash equivalents                   | \$2,711.7     |         |         | \$2,711.7 | \$4,432.0         |         |         | \$4,432.0 |
| Marketable equity securities                | 0.8           |         |         | 0.8       | 0.9               |         |         | 0.9       |
| Cross currency swaps - net investment hedge |               | \$11.5  |         | 11.5      |                   | \$ —    |         | —         |
| Liabilities:                                |               |         |         |           |                   |         |         |           |
| Cross currency swaps - net investment hedge |               | \$ —    |         | \$ —      |                   | \$6.6   |         | \$ 6.6    |
| Contingent purchase price obligations       |               |         | \$249.8 | 249.8     |                   |         | \$229.5 | 229.5     |

Changes in contingent purchase price obligations:

|                              | Six Months Ended June 30, |                 |
|------------------------------|---------------------------|-----------------|
|                              | 2024                      | 2023            |
| January 1                    | \$ 229.5                  | \$ 115.0        |
| Acquisitions                 | 27.4                      | 62.9            |
| Revaluation and interest     | 6.2                       | (6.2)           |
| Payments                     | (12.6)                    | (14.3)          |
| Foreign currency translation | (0.7)                     | 0.6             |
| <b>June 30</b>               | <b>\$ 249.8</b>           | <b>\$ 158.0</b> |

Carrying amount and fair value of our financial assets and liabilities:

|                                                | <b>June 30, 2024</b>       |                       | <b>December 31, 2023</b>   |                       |
|------------------------------------------------|----------------------------|-----------------------|----------------------------|-----------------------|
|                                                | <b>Carrying<br/>Amount</b> | <b>Fair<br/>Value</b> | <b>Carrying<br/>Amount</b> | <b>Fair<br/>Value</b> |
| Assets:                                        |                            |                       |                            |                       |
| Cash and cash equivalents                      | <b>\$2,711.7</b>           | <b>\$2,711.7</b>      | \$4,432.0                  | \$4,432.0             |
| Marketable equity securities                   | <b>0.8</b>                 | <b>0.8</b>            | 0.9                        | 0.9                   |
| Cross currency swaps - net investment<br>hedge | <b>11.5</b>                | <b>11.5</b>           | —                          | —                     |
| Non-marketable equity securities               | <b>12.5</b>                | <b>12.5</b>           | 6.7                        | 6.7                   |
| Liabilities:                                   |                            |                       |                            |                       |
| Short-term debt                                | <b>\$ 15.1</b>             | <b>\$ 15.1</b>        | \$ 10.9                    | \$ 10.9               |
| Cross currency swaps - net investment<br>hedge | —                          | —                     | 6.6                        | 6.6                   |
| Contingent purchase price obligations          | <b>249.8</b>               | <b>249.8</b>          | 229.5                      | 229.5                 |
| Long-term debt                                 | <b>6,239.6</b>             | <b>5,778.2</b>        | 5,639.6                    | 5,237.8               |

The estimated fair values of the cross-currency swaps are determined using model-derived valuations, taking into consideration foreign currency rates, interest rates, and counterparty credit risk. The estimated fair value of the contingent purchase price obligations is calculated in accordance with the terms of each acquisition agreement and is discounted. The fair value of long-term debt is based on quoted market prices.

## 16. Subsequent Events

We have evaluated events subsequent to the balance sheet date and determined that there have not been any events that have occurred that would require additional adjustments to, or disclosures in, these consolidated financial statements.





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

### **FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains forward-looking statements, including statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, from time to time, the Company or its representatives have made, or may make, forward-looking statements, orally or in writing. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial position, or otherwise, based on current beliefs of the Company's management as well as assumptions made by, and information currently available to, the Company's management. Forward-looking statements may be accompanied by words such as "aim," "anticipate," "believe," "plan," "could," "should," "would," "estimate," "expect," "forecast," "future," "guidance," "intend," "may," "will," "possible," "potential," "predict," "project" or similar words, phrases or expressions. These forward-looking statements are subject to various risks and uncertainties, many of which are outside the Company's control. Therefore, you should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include:

- adverse economic conditions, including those caused by geopolitical events, international hostilities, acts of terrorism, public health crises, high and sustained inflation in countries that comprise our major markets, high interest rates, and labor and supply chain issues affecting the distribution of our clients' products;
- international, national or local economic conditions that could adversely affect the Company or its clients;
- losses on media purchases and production costs incurred on behalf of clients;
- reductions in client spending, a slowdown in client payments and a deterioration or disruption in the credit markets;
- the ability to attract new clients and retain existing clients in the manner anticipated;
- changes in client advertising, marketing and corporate communications requirements;
- failure to manage potential conflicts of interest between or among clients;
- unanticipated changes related to competitive factors in the advertising, marketing and corporate communications industries;
- unanticipated changes to, or the ability to hire and retain key personnel;
- currency exchange rate fluctuations;
- reliance on information technology systems and risks related to cybersecurity incidents;
- effective management of the risks, challenges and efficiencies presented by utilizing Artificial Intelligence (AI) technologies and related partnerships in our business;
- changes in legislation or governmental regulations affecting the Company or its clients;
- risks associated with assumptions the Company makes in connection with its acquisitions, critical accounting estimates and legal proceedings;
- the Company's international operations, which are subject to the risks of currency repatriation restrictions, social or political conditions and an evolving regulatory environment in high-growth markets and developing countries; and

- risks related to our environmental, social and governance goals and initiatives, including impacts from regulators and other stakeholders, and the impact of factors outside of our control on such goals and initiatives.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that may affect the Company's business, including those described in Item 1A, "Risk Factors" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023, or 2023 10-K, and in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this report and in other documents filed from time to time with the Securities and Exchange Commission. Except as required under applicable law, the Company does not assume any obligation to update these forward-looking statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Amounts in tables in millions, except share and per share data or unless otherwise noted)

### EXECUTIVE SUMMARY

The unaudited consolidated financial statements and related notes to the unaudited consolidated financial statements, including our critical accounting estimates, and the related Management's Discussion and Analysis of Financial Condition and Results of Operations included in this report, should be read in conjunction with our 2023 10-K. In the following tables, dollars are presented in millions, except share amounts.

Given our size and breadth, we manage our business by monitoring several financial indicators. The key performance indicators we focus on are revenue growth, operating income, and EBITA (defined as earnings before interest, income taxes and amortization of acquired intangible assets and internally developed strategic platform assets) and EBITA margin (defined as EBITA divided by revenue). We analyze revenue growth by reviewing the components and mix of the growth, including growth by principal regional market, practice area and marketing discipline, the impact from foreign currency exchange rate changes, growth from acquisitions, net of dispositions, and growth from our largest clients. Variability in operating expenses is analyzed in the following categories: cost of services, selling, general and administrative expenses, or SG&A, and depreciation and amortization.

#### Financial Performance

Worldwide revenue for the three months ended June 30, 2024 increased \$243.9 million, or 6.8%, to \$3,853.8 million, compared to \$3,609.9 million in the prior year quarter. Worldwide organic revenue growth (defined below) increased revenue \$188.3 million, or 5.2%, period to period, reflecting increased client spending across substantially all of our disciplines, and primarily driven by our Advertising & Media, Experiential, and Healthcare disciplines. Our Experiential discipline benefited from the upcoming summer Olympics. Most geographic markets had positive organic growth compared to the prior year period. Changes in foreign exchange rates period-over-period reduced revenue \$37.4 million, or 1.0%. Acquisition revenue, net of disposition revenue, increased revenue \$93.0 million, or 2.6%, primarily related to the purchase of Flywheel Digital in January 2024 (see Note 4 to the unaudited consolidated financial statements) and acquisition activity in the second half of 2023.

Worldwide revenue for the six months ended June 30, 2024 increased \$431.1 million, or 6.1%, to \$7,484.3 million, compared to \$7,053.2 million in the prior year quarter. Worldwide organic revenue growth increased revenue \$325.2 million, or 4.6%, primarily reflecting increased client spending in our Advertising & Media, Precision Marketing, Experiential, and Healthcare disciplines and in all of our major geographic markets compared to the prior year period. Changes in foreign exchange rates period-over-period reduced revenue \$40.1 million, or 0.6%. Acquisition revenue, net of disposition revenue, increased revenue \$146.0 million, or 2.1%, primarily related to the purchase of Flywheel Digital in January 2024 (see Note 4 to the unaudited consolidated financial statements) and acquisition activity in the second half of 2023, partially offset by dispositions in the Execution & Support discipline in the first half of 2023.

The period-over-period change in worldwide revenue for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, in our fundamental disciplines was: Advertising & Media increased \$135.3 million, Precision Marketing increased \$69.8 million, Public Relations increased \$24.6 million, Healthcare increased \$3.8 million, Branding

& Retail Commerce decreased \$11.2 million, Experiential increased \$21.7 million, and Execution & Support decreased \$0.1 million.

The period-over-period change in worldwide revenue for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, in our fundamental disciplines was: Advertising & Media increased \$265.6 million, Precision Marketing increased \$148.0 million, Public Relations increased \$39.4 million, Healthcare increased \$9.0 million, Branding & Retail Commerce decreased \$20.6 million, Experiential increased \$33.8 million, and Execution & Support decreased \$44.1 million.

The period-over-period change in worldwide revenue across our geographic markets for the three months ended June 30, 2024 was: North America increased \$169.6 million, or 8.6%, Latin America increased \$21.8 million, or 25.8%, Europe increased \$56.3 million, or 5.4%, the Middle East and Africa increased \$3.0 million, or 4.8%, and Asia-Pacific decreased \$6.8 million, or 1.6%. Organic revenue for the three months ended June 30, 2024 increased across most countries within our major markets.

The period-over-period change in worldwide revenue across our geographic markets for the six months ended June 30, 2024 was: North America increased \$283.7 million, or 7.3%, Latin America increased \$44.3 million, or 27.9%, Europe increased \$110.2 million, or 5.5%, the Middle East and Africa decreased \$2.3 million, or 1.6%, and Asia-Pacific decreased \$4.8 million, or 0.6%. Organic revenue for the six months ended June 30, 2024 increased across most countries within our major markets.

A summary of our consolidated results of operations period-over-period:

|                                                                 | Three Months Ended June 30, |           |           |         | Six Months Ended June 30, |           |         |        |
|-----------------------------------------------------------------|-----------------------------|-----------|-----------|---------|---------------------------|-----------|---------|--------|
|                                                                 |                             |           | \$        | %       |                           |           | \$      | %      |
|                                                                 | 2024                        | 2023      | Change    | Change  | 2024                      | 2023      | Change  | Change |
| Revenue                                                         | <b>\$3,853.8</b>            | \$3,609.9 | \$243.9   | 6.8 %   | <b>\$7,484.3</b>          | \$7,053.2 | \$431.1 | 6.1 %  |
| Operating Income <sup>2</sup>                                   | <b>\$ 510.3</b>             | \$ 550.7  | \$ (40.4) | (7.3)%  | <b>\$ 989.2</b>           | \$ 897.2  | \$ 92.0 | 10.3 % |
| Operating Margin <sup>2</sup>                                   | <b>13.2 %</b>               | 15.3 %    |           | (2.1)%  | <b>13.2 %</b>             | 12.7 %    |         | 0.5 %  |
| Interest expense, net                                           | <b>\$ 41.7</b>              | \$ 27.4   | \$ 14.3   | 52.2 %  | <b>\$ 68.5</b>            | \$ 46.7   | \$ 21.8 | 46.7 % |
| Net Income - Omnicom Group Inc. <sup>2</sup>                    | <b>\$ 328.1</b>             | \$ 366.3  | \$ (38.2) | (10.4)% | <b>\$ 646.7</b>           | \$ 593.8  | \$ 52.9 | 8.9 %  |
| Net Income per Share - Omnicom Group Inc.: Diluted <sup>2</sup> | <b>\$ 1.65</b>              | \$ 1.82   | \$ (0.17) | (9.3)%  | <b>\$ 3.24</b>            | \$ 2.92   | \$ 0.32 | 11.0 % |
| Non-GAAP Measures:                                              |                             |           |           |         |                           |           |         |        |
| EBITA <sup>1,2,3</sup>                                          | <b>\$ 531.8</b>             | \$ 565.4  | \$ (33.6) | (5.9)%  | <b>\$1,032.2</b>          | \$ 926.7  | \$105.5 | 11.4 % |
| EBITA Margin % <sup>1,2,3</sup>                                 | <b>13.8 %</b>               | 15.7 %    |           | (1.9)%  | <b>13.8 %</b>             | 13.1 %    |         | 0.7 %  |

1) Reconciliation of Non-GAAP Financial Measures on page 27.

2) For the three and six months ended June 30, 2024, operating expenses include \$57.8 million (\$42.9 million after-tax) of repositioning costs, primarily related to severance, which reduced diluted net income per share - Omnicom Group Inc. by \$0.22. For the three months ended June 30, 2023, operating expenses include a net decrease of \$6.5 million (\$1.4 million after-tax) related to a gain on the disposition of a subsidiary of \$78.8 million (\$55.9 million net of tax) in our Execution & Support discipline, partially offset by an increase of \$72.3 million (\$54.5 million after-tax) resulting from repositioning costs primarily related to severance, which increased diluted net income per share - Omnicom Group Inc. by \$0.01. For the six months ended June 30, 2023, operating expenses include a net increase of \$112.7 million (\$89.6 million after-tax) comprised of \$191.5 million (\$145.5 million after-tax) of real estate and other repositioning costs, partially offset by the gain on the disposition of a subsidiary of \$78.8 million (\$55.9 million after-tax), which reduced diluted net income per share- Omnicom Group Inc. by \$0.44 (see Notes 10 and 11 to the unaudited consolidated financial statements).

3) Beginning with the three months ended March 31, 2024, EBITA is defined as earnings before interest, income taxes and amortization of acquired intangible assets and internally developed

strategic platform assets. As a result, we reclassified the prior year period to be consistent with the revised definition, which reduced EBITA from previously reported amounts. We believe EBITA is useful in evaluating the impact of amortization of acquired intangible assets and internally developed strategic platform assets on operating performance and allows for comparability between reporting periods, the after-tax impact of which on diluted net income per share- Omnicom Group Inc. for the three and six months ended June 30, 2024 was \$0.08 and \$0.16, respectively, and for the three and six months ended June 30, 2023 was \$0.05 and \$0.11, respectively.

## **Our Business**

Omnicom is a strategic holding company providing advertising, marketing and corporate communications services to many of the largest global companies. Our portfolio of companies includes our global networks, BBDO, DDB, TBWA, Omnicom Media Group, the DAS Group of Companies, and the Communications Consultancy Network. All of our global networks integrate their service offerings with the Omnicom branded practice areas, including Omnicom Health Group, Omnicom Precision Marketing Group, Omnicom Commerce Group, Omnicom Advertising Collective, Omnicom Public Relations Group, Omnicom Brand Consulting Group and Flywheel Digital, as well as our Experiential businesses and Execution & Support businesses, which includes Omnicom Specialty Marketing Group.

On a global, pan-regional, and local basis, our networks, practice areas, and agencies provide a comprehensive range of services in the following fundamental disciplines: Advertising & Media, Precision Marketing, Public Relations, Healthcare, Branding & Retail Commerce, Experiential, and Execution & Support. Advertising & Media includes creative services across digital and traditional media, strategic media planning and buying, performance media and data analytics services. Precision Marketing includes digital and direct marketing, digital transformation consulting, e-commerce operations, media execution, market intelligence and data and analytics. Public Relations services include corporate communications, crisis management, public affairs and media and media relations services. Healthcare includes corporate communications and advertising and media services to global healthcare and pharmaceutical companies. Branding & Retail Commerce services include brand and product consulting, strategy and research and retail marketing. Experiential marketing services include live and digital events and experience design and execution. Execution & Support includes field marketing, sales support, digital and physical merchandising, as well as other specialized marketing and custom communications services. Our geographic markets include the Americas, which includes North America and Latin America, Europe, the Middle East and Africa, or EMEA, and Asia-Pacific.

Our business model was built and continues to evolve around our clients. While our networks, practice areas and agencies operate under different names and frame their ideas in different disciplines, we organize our services around our clients. Our fundamental business principle is that our clients' specific marketing requirements are the central focus of how we structure our service offerings and allocate our resources. This client-centric business model requires that multiple agencies within Omnicom collaborate in formal and informal virtual client networks utilizing our key client matrix organization structure. This collaboration

allows us to cut across our internal organizational structures to execute our clients' marketing requirements in a consistent and comprehensive manner. We use our client-centric approach to grow our business by expanding our service offerings to existing clients, moving into new markets and obtaining new clients. In addition, we pursue selective acquisitions of complementary companies with strong entrepreneurial management teams that currently serve or could serve our existing clients. In addition to collaborating through our client service models, our agencies, practice areas and networks collaborate across internally developed technology platforms. Annalect and Omni, our proprietary data and analytics platforms, serve as the strategic resource for all of our agencies, practice areas and networks to share when developing client service strategies across our virtual networks. These platforms provide precision marketing and insights at scale across creative, media and other disciplines.

We believe generative AI will have a significant effect on how we provide services to our clients and how we enhance the productivity of our people. As with any new technology, we are working closely with our clients and technology partners to take advantage of the benefits of AI while being mindful of its limitations, risks, and privacy concerns. We are committed to responsible AI practices and collaboration to harness AI's potential, while evaluating related risks, such as ethical considerations, public perception and reputational concerns, intellectual property protection, regulatory compliance, privacy and data security concerns and our ability to effectively adopt this new emerging technology. The rapidly developing nature of AI technology makes it difficult to assess the full impact on our business at this time.

As a leading global advertising, marketing and corporate communications company, we operate in all major markets and have a large and diverse client base. For the twelve months ended June 30, 2024, our largest client accounted for 2.9% of our revenue, and our 100 largest clients, which represent many of the world's major marketers, accounted for approximately 53.6% of our revenue. Our clients operate in virtually every sector of the global economy with no one industry representing more than 17% of our revenue for the six months ended June 30, 2024. Although our revenue is generally balanced between the United States and international markets, and we have a large and diverse client base, we are not immune to general economic downturns.

### **Risks and Uncertainties**

Global economic challenges, including geopolitical events, international hostilities, acts of terrorism, public health crises, high and sustained inflation in countries that comprise our major markets, high interest rates, and labor and supply chain issues could cause economic uncertainty and volatility. The impact of these issues on our business will vary by geographic market and discipline. We monitor economic conditions closely, as well as client revenue levels and other factors. In response to reductions in revenue, we can take actions to align our cost structure with changes in client demand and manage our working capital. However, there can be no assurance as to the effectiveness of our efforts to mitigate any impact of the current and future adverse economic conditions, reductions in client revenue, changes in client creditworthiness and other developments.

Revenue is typically lower in the first and third quarters and higher in the second and fourth quarters, reflecting client spending patterns during the year and additional project work that usually occurs in the fourth quarter. Certain global events targeted by major marketers for advertising expenditures, such as the FIFA World Cup and the Olympics, and certain national events, such as the U.S. election process, may affect our revenue period-



over-period in certain businesses. Typically, these events do not have a significant impact on our revenue in any period.

**CONSOLIDATED RESULTS OF OPERATIONS**

The period-over-period change in results of operations:

|                                                                             | Three Months Ended June 30, |            |           | Six Months Ended June 30, |            |           |
|-----------------------------------------------------------------------------|-----------------------------|------------|-----------|---------------------------|------------|-----------|
|                                                                             | 2024                        | 2023       | \$ Change | 2024                      | 2023       | \$ Change |
| <b>Revenue</b>                                                              | <b>\$3,853.8</b>            | \$ 3,609.9 | \$ 243.9  | <b>\$7,484.3</b>          | \$ 7,053.2 | \$ 431.1  |
| <b>Operating Expenses:</b>                                                  |                             |            |           |                           |            |           |
| Salary and service costs                                                    | <b>2,800.1</b>              | 2,617.8    | 182.3     | <b>5,492.7</b>            | 5,160.7    | 332.0     |
| Occupancy and other costs                                                   | <b>314.2</b>                | 297.7      | 16.5      | <b>628.3</b>              | 589.3      | 39.0      |
| Real estate other repositioning costs <sup>2</sup>                          | <b>57.8</b>                 | 72.3       | (14.5)    | <b>57.8</b>               | 191.5      | (133.7)   |
| Gain on disposition of subsidiary <sup>2</sup>                              | —                           | (78.8)     | 78.8      | —                         | (78.8)     | 78.8      |
| Cost of services                                                            | <b>3,172.1</b>              | 2,909.0    | 263.1     | <b>6,178.8</b>            | 5,862.7    | 316.1     |
| Selling, general and administrative expenses                                | <b>111.0</b>                | 99.1       | 11.9      | <b>196.3</b>              | 188.3      | 8.0       |
| Depreciation and amortization                                               | <b>60.4</b>                 | 51.1       | 9.3       | <b>120.0</b>              | 105.0      | 15.0      |
| <b>Total operating expenses<sup>2</sup></b>                                 | <b>3,343.5</b>              | 3,059.2    | 284.3     | <b>6,495.1</b>            | 6,156.0    | 339.1     |
| <b>Operating Income<sup>2</sup></b>                                         | <b>510.3</b>                | 550.7      | (40.4)    | <b>989.2</b>              | 897.2      | 92.0      |
| Interest Expense                                                            | <b>62.7</b>                 | 57.5       | 5.2       | <b>116.5</b>              | 112.4      | 4.1       |
| Interest Income                                                             | <b>21.0</b>                 | 30.1       | (9.1)     | <b>48.0</b>               | 65.7       | (17.7)    |
| <b>Income Before Income Taxes and Income From Equity Method Investments</b> | <b>468.6</b>                | 523.3      | (54.7)    | <b>920.7</b>              | 850.5      | 70.2      |
| Income Tax Expense                                                          | <b>123.7</b>                | 141.2      | (17.5)    | <b>239.7</b>              | 224.6      | 15.1      |
| Income From Equity Method Investments                                       | <b>3.3</b>                  | 1.1        | 2.2       | <b>4.2</b>                | 1.2        | 3.0       |
| <b>Net Income<sup>2</sup></b>                                               | <b>348.2</b>                | 383.2      | (35.0)    | <b>685.2</b>              | 627.1      | 58.1      |
| Net Income Attributed To Noncontrolling Interests                           | <b>20.1</b>                 | 16.9       | 3.2       | <b>38.5</b>               | 33.3       | 5.2       |
| <b>Net Income - Omnicom Group Inc.<sup>2</sup></b>                          | <b>\$ 328.1</b>             | \$ 366.3   | \$ (38.2) | <b>\$ 646.7</b>           | \$ 593.8   | \$ 52.9   |
| Net Income Per Share - Omnicom                                              |                             |            |           |                           |            |           |

- 1) Reconciliation of Non-GAAP Financial Measures on page 27.
- 2) For the three and six months ended June 30, 2024, operating expenses included \$57.8 million (\$42.9 million after-tax) of repositioning costs, primarily related to severance, which reduced diluted net income per share - Omnicom Group Inc. by \$0.22. For the three months ended June 30, 2023, operating expenses included a net decrease of \$6.5 million (\$1.4 million after-tax) related to a gain on the disposition of a subsidiary of \$78.8 million (\$55.9 million net of tax) in our Execution & Support discipline, partially offset by an increase of \$72.3 million (\$54.5 million after-tax) resulting from repositioning costs primarily related to severance, which increased diluted net income per share - Omnicom Group Inc. by \$0.01. For the six months ended June 30, 2023, operating expenses included a net increase of \$112.7 million (\$89.6 million after-tax) comprised of \$191.5 million (\$145.5 million after-tax) of real estate and other repositioning costs, partially offset by the gain on the disposition of a subsidiary of \$78.8 million (\$55.9 million after-tax), which reduced diluted net income per share- Omnicom Group Inc. by \$0.44 (see Notes 10 and 11 to the unaudited consolidated financial statements).
- 3) Beginning with the three months ended March 31, 2024, EBITA is defined as earnings before interest, income taxes and amortization of acquired intangible assets and internally developed strategic platform assets. As a result, we reclassified the prior year period to be consistent with the revised definition, which reduced EBITA from previously reported amounts. We believe EBITA is useful in evaluating the impact of amortization of acquired intangible assets and internally developed strategic platform assets on operating performance and allows for comparability between reporting periods, the after-tax impact of which on diluted net income per share- Omnicom Group Inc. for the three and six months ended June 30, 2024 was \$0.08 and \$0.16, respectively, and for the three and six months ended June 30, 2023 was \$0.05 and \$0.11, respectively.

## Revenue

The components of period-over-period revenue change in the United States (“Domestic”) and the remainder of the world (“International”):

|                                                 | Total            |              | Domestic         |              | International    |              |
|-------------------------------------------------|------------------|--------------|------------------|--------------|------------------|--------------|
|                                                 | \$               | %            | \$               | %            | \$               | %            |
| <b>Three months ended June 30, 2023</b>         | \$ 3,609.9       |              | \$ 1,850.6       |              | \$ 1,759.3       |              |
| Components of revenue change:                   |                  |              |                  |              |                  |              |
| Foreign exchange rate impact                    | (37.4)           | (1.0)%       | —                | — %          | (37.4)           | (2.1)%       |
| Acquisition revenue, net of disposition revenue | 93.0             | 2.6 %        | 65.6             | 3.5 %        | 27.4             | 1.6 %        |
| Organic growth                                  | 188.3            | 5.2 %        | 117.2            | 6.3 %        | 71.1             | 4.0 %        |
| <b>Three months ended June 30, 2024</b>         | <b>\$3,853.8</b> | <b>6.8 %</b> | <b>\$2,033.4</b> | <b>9.9 %</b> | <b>\$1,820.4</b> | <b>3.5 %</b> |
|                                                 | Total            |              | Domestic         |              | International    |              |
|                                                 | \$               | %            | \$               | %            | \$               | %            |
| <b>Six months ended June 30, 2023</b>           | \$ 7,053.2       |              | \$ 3,662.8       |              | \$ 3,390.4       |              |
| Components of revenue change:                   |                  |              |                  |              |                  |              |
| Foreign exchange rate impact                    | (40.1)           | (0.6)%       | —                | — %          | (40.1)           | (1.2)%       |
| Acquisition revenue, net of disposition revenue | 146.0            | 2.1 %        | 100.7            | 2.7 %        | 45.3             | 1.3 %        |
| Organic growth                                  | 325.2            | 4.6 %        | 195.8            | 5.3 %        | 129.4            | 3.8 %        |
| <b>Six months ended June 30, 2024</b>           | <b>\$7,484.3</b> | <b>6.1 %</b> | <b>\$3,959.3</b> | <b>8.1 %</b> | <b>\$3,525.0</b> | <b>4.0 %</b> |

The components and percentages are calculated as follows:

- Foreign exchange rate impact is calculated by translating the current period’s local currency revenue using the prior period average exchange rates to derive current period constant currency revenue (in this case \$3,891.2 million and \$7,524.4 million for the Total column for the three and six months ended June 30, 2024, respectively). The foreign exchange impact is the difference between the current period revenue in U.S. Dollars and the current period constant currency revenue (\$3,853.8 million less \$3,891.2 million and \$7,484.3 million less \$7,524.4 million for the Total column for the three and six months ended June 30, 2024, respectively).
- Acquisition revenue is calculated as if the acquisition occurred twelve months prior to the acquisition date by aggregating the comparable prior period revenue of acquisitions through the acquisition date. As a result, acquisition revenue excludes the positive or negative difference between our current period revenue subsequent to the acquisition date and the comparable prior period revenue and the positive or negative growth after the acquisition is attributed to organic growth. Disposition revenue is calculated as if the

disposition occurred twelve months prior to the disposition date by aggregating the comparable prior period revenue of dispositions through the disposition date. The acquisition revenue and disposition revenue amounts are netted in the table.

- Organic growth is calculated by subtracting the foreign exchange rate impact, and the acquisition revenue, net of disposition revenue components from total revenue growth.
- The percentage change is calculated by dividing the individual component amount by the prior period revenue base of that component (\$3,609.9 million and \$7,053.2 million for the Total column for the three and six months ended June 30, 2024, respectively).

Changes in the value of foreign currencies against the U.S. Dollar affect our results of operations and financial position. For the most part, because the revenue and expense of our foreign operations are both denominated in the same local currency, the economic impact on operating margin is minimized. Assuming exchange rates at July 15, 2024 remain unchanged, we expect the impact of changes in foreign exchange rates will reduce revenue in both the third quarter and for the full year by 0.5%. Based on our acquisition and disposition activity to date, we expect that the net impact will increase revenue by 1.5% for both the third quarter and for the full year.

## Revenue by Discipline

To monitor the changing needs of our clients and to further expand the scope of our services to key clients, we monitor revenue across a broad range of disciplines and group them into the following categories: Advertising & Media, Precision Marketing, Branding & Retail Commerce, Experiential, Execution & Support, Public Relations, and Healthcare.

The period-over-period change in revenue and organic growth by discipline:

| Three Months Ended June 30, |                  |         |                  |         |                 |              |
|-----------------------------|------------------|---------|------------------|---------|-----------------|--------------|
|                             | 2024             |         | 2023             |         | 2024 vs. 2023   |              |
|                             | \$               | % of    | \$               | % of    | \$ Change       | % Organic    |
|                             |                  | Revenue |                  | Revenue |                 | Growth       |
| Advertising & Media         | \$2,046.8        | 53.1 %  | \$1,911.5        | 53.0 %  | \$ 135.3        | 7.8 %        |
| Precision Marketing         | 438.8            | 11.4 %  | 369.0            | 10.2 %  | 69.8            | 1.4 %        |
| Public Relations            | 418.2            | 10.8 %  | 393.6            | 10.9 %  | 24.6            | 0.9 %        |
| Healthcare                  | 353.1            | 9.2 %   | 349.3            | 9.6 %   | 3.8             | 2.0 %        |
| Branding & Retail Commerce  | 199.3            | 5.2 %   | 210.5            | 5.8 %   | (11.2)          | (3.8)%       |
| Experiential                | 186.1            | 4.8 %   | 164.4            | 4.6 %   | 21.7            | 17.6 %       |
| Execution & Support         | 211.5            | 5.5 %   | 211.6            | 5.9 %   | (0.1)           | 1.2 %        |
| <b>Revenue</b>              | <b>\$3,853.8</b> |         | <b>\$3,609.9</b> |         | <b>\$ 243.9</b> | <b>5.2 %</b> |

| Six Months Ended June 30,  |                  |         |                  |         |                 |              |
|----------------------------|------------------|---------|------------------|---------|-----------------|--------------|
|                            | 2024             |         | 2023             |         | 2024 vs. 2023   |              |
|                            | \$               | % of    | \$               | % of    | \$ Change       | % Organic    |
|                            |                  | Revenue |                  | Revenue |                 | Growth       |
| Advertising & Media        | \$3,953.6        | 52.8 %  | \$3,688.0        | 52.3 %  | \$ 265.6        | 7.4 %        |
| Precision Marketing        | 877.0            | 11.7 %  | 729.0            | 10.3 %  | 148.0           | 2.9 %        |
| Public Relations           | 808.5            | 10.8 %  | 769.1            | 10.9 %  | 39.4            | (0.1)%       |
| Healthcare                 | 676.7            | 9.1 %   | 667.7            | 9.5 %   | 9.0             | 2.0 %        |
| Branding & Retail Commerce | 399.5            | 5.3 %   | 420.1            | 6.0 %   | (20.6)          | (3.8)%       |
| Experiential               | 346.0            | 4.6 %   | 312.2            | 4.4 %   | 33.8            | 13.7 %       |
| Execution & Support        | 423.0            | 5.7 %   | 467.1            | 6.6 %   | (44.1)          | (1.8)%       |
| <b>Revenue</b>             | <b>\$7,484.3</b> |         | <b>\$7,053.2</b> |         | <b>\$ 431.1</b> | <b>4.6 %</b> |

The period-over-period change in worldwide revenue for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, in our fundamental disciplines was: Advertising & Media increased \$135.3 million, Precision Marketing increased \$69.8 million, Public Relations increased \$24.6 million, Healthcare increased \$3.8 million, Branding & Retail Commerce decreased \$11.2 million, Experiential increased \$21.7 million, and Execution & Support decreased \$0.1 million. Worldwide organic revenue growth increased revenue \$188.3 million, or 5.2%, primarily reflecting increased client spending in Advertising & Media, led by Media, as well as Experiential and Healthcare disciplines compared to the

prior year period. Changes in foreign exchange rates period-over-period reduced revenue \$37.4 million, or 1.0%. The decrease in revenue from foreign exchange translation was primarily related to the weakening of some currencies, including the Japanese Yen and the Euro against the U.S. Dollar, partially offset by the strengthening of the British Pound against the U.S. Dollar. Acquisition revenue, net of disposition revenue, increased revenue \$93.0 million, or 2.6%, primarily related to the purchase of Flywheel Digital in January 2024, which is included in our Precision Marketing discipline, and acquisition activity in the second half of 2023, partially offset by dispositions in our Execution & Support discipline in the second quarter of 2023.

The period-over-period change in worldwide revenue for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, in our fundamental disciplines was: Advertising & Media increased \$265.6 million, Precision Marketing increased \$148.0 million, Public Relations increased \$39.4 million, Healthcare increased \$9.0 million, Branding & Retail Commerce decreased \$20.6 million, Experiential increased \$33.8 million, and Execution & Support decreased \$44.1 million. Worldwide organic revenue growth increased revenue \$325.2 million, or 4.6%, primarily reflecting increased client spending in Advertising & Media, led by our Media, as well as Experiential, Precision Marketing and Healthcare disciplines compared to the prior year period. Changes in foreign exchange rates period-over-period reduced revenue \$40.1 million, or 0.6%. The decrease in revenue from foreign exchange translation was primarily related to the weakening of some currencies, including the Japanese Yen and Australian Dollar, against the U.S. Dollar, partially offset by the strengthening of the British Pound against the U.S. Dollar. Acquisition revenue, net of disposition revenue, increased revenue \$146.0 million, or 2.1%, primarily related to the purchase of Flywheel Digital in January 2024, which is included in our Precision Marketing discipline, and acquisition activity in the later second half of 2023.



In the normal course of business, our agencies both gain and lose business from clients each year due to a variety of factors. Under our client-centric approach, we seek to broaden our relationships with all of our clients. Our largest client represented 2.9% and 2.8% of revenue for the twelve months ended June 30, 2024 and 2023, respectively. Our ten largest and 100 largest clients represented 19.7% and 53.6% of revenue for the twelve months ended June 30, 2024, respectively, and 19.8% and 53.6% of revenue for the twelve months ended June 30, 2023, respectively.

### Revenue by Geography

The period-over-period change in revenue and organic growth in our geographic markets:

| Three Months Ended June 30, |                  |              |                  |              |                 |                  |
|-----------------------------|------------------|--------------|------------------|--------------|-----------------|------------------|
|                             | 2024             |              | 2023             |              | 2024 vs. 2023   |                  |
|                             | \$               | % of Revenue | \$               | % of Revenue | \$ Change       | % Organic Growth |
| Americas:                   |                  |              |                  |              |                 |                  |
| North America               | \$2,148.4        | 55.8 %       | \$1,978.8        | 54.9 %       | \$ 169.6        | 5.4 %            |
| Latin America               | 106.4            | 2.7 %        | 84.6             | 2.3 %        | 21.8            | 24.5 %           |
| EMEA:                       |                  |              |                  |              |                 |                  |
| Europe                      | 1,101.9          | 28.6 %       | 1,045.6          | 29.0 %       | 56.3            | 5.4 %            |
| Middle East and Africa      | 65.6             | 1.7 %        | 62.6             | 1.7 %        | 3.0             | 8.0 %            |
| Asia-Pacific                | 431.5            | 11.2 %       | 438.3            | 12.1 %       | (6.8)           | (0.1)%           |
| <b>Revenue</b>              | <b>\$3,853.8</b> |              | <b>\$3,609.9</b> |              | <b>\$ 243.9</b> | <b>5.2 %</b>     |

| Six Months Ended June 30, |                  |              |                  |              |                 |                  |
|---------------------------|------------------|--------------|------------------|--------------|-----------------|------------------|
|                           | 2024             |              | 2023             |              | 2024 vs. 2023   |                  |
|                           | \$               | % of Revenue | \$               | % of Revenue | \$ Change       | % Organic Growth |
| Americas:                 |                  |              |                  |              |                 |                  |
| North America             | \$4,189.3        | 56.0 %       | \$3,905.6        | 55.4 %       | \$ 283.7        | 4.8 %            |
| Latin America             | 202.9            | 2.7 %        | 158.6            | 2.2 %        | 44.3            | 23.5 %           |
| EMEA:                     |                  |              |                  |              |                 |                  |
| Europe                    | 2,107.7          | 28.2 %       | 1,997.5          | 28.3 %       | 110.2           | 4.4 %            |
| Middle East and Africa    | 145.2            | 1.9 %        | 147.5            | 2.1 %        | (2.3)           | 1.0 %            |
| Asia-Pacific              | 839.2            | 11.2 %       | 844.0            | 12.0 %       | (4.8)           | 1.4 %            |
| <b>Revenue</b>            | <b>\$7,484.3</b> |              | <b>\$7,053.2</b> |              | <b>\$ 431.1</b> | <b>4.6 %</b>     |

The period-over-period change in worldwide revenue across our geographic markets for the three months ended June 30, 2024 was: North America increased \$169.6 million, or 8.6%, Latin America increased \$21.8 million, or 25.8%, Europe increased \$56.3 million, or 5.4%, the Middle East and Africa increased \$3.0 million, or 4.8%, and Asia-Pacific decreased \$6.8 million, or 1.6%. Organic revenue for the three months ended June 30, 2024 increased across most countries within our major markets.

The period-over-period change in worldwide revenue across our geographic markets for the six months ended June 30, 2024 was: North America increased \$283.7 million, or 7.3%, Latin America increased \$44.3 million, or 27.9%, Europe increased \$110.2 million, or 5.5%, the Middle East and Africa decreased \$2.3 million, or 1.6%, and Asia-Pacific decreased \$4.8 million, or 0.6%. Organic revenue for the six months ended June 30, 2024 increased across most countries within our major markets.

### **North America**

In North America, organic revenue growth period-over-period for the three and six months ended June 30, 2024 was primarily driven by strong performance in the United States, especially in the Advertising & Media discipline, led by our media business, and our Precision Marketing, Healthcare, Experiential, and Public Relations disciplines. Our U.S. Public Relations discipline was helped by spending on the upcoming election cycle. The organic growth was partially offset by underperformance in Canada, and by negative performance in our Execution & Support and Branding & Retail Commerce disciplines in the region. Acquisitions net of dispositions positively impacted revenue and were primarily related to the purchase of Flywheel Digital in January 2024 and acquisitions in the prior year in our Public Relations discipline. In the six months ended June 30, 2024, the acquisition growth was partially offset by dispositions in the Execution & Support discipline.

## **Latin America**

In Latin America, organic revenue growth for the three and six months ended June 30, 2024 increased in all our disciplines, led by Advertising & Media, and in all countries in the region, compared to the prior year period. The weakening of several currencies against the U.S. Dollar decreased revenue in the three and six months ended June 30, 2024 compared to the same period in 2023. Acquisitions positively impacted revenue and were primarily related to acquisition activity in our Advertising & Media discipline during the prior year.

## **EMEA**

In Europe, compared to the prior year period, organic revenue for the three and six months ended June 30, 2024 increased in most countries and disciplines driven by strong performance in our Advertising & Media discipline, led by our media business, and in our Execution & Support, Precision Marketing and Healthcare disciplines, partially offset by under performance in our Public Relations discipline. Foreign currency changes decreased revenue for the three months ended June 30, 2024, primarily as a result of the weakening of the Euro against the U.S. Dollar period-over-period. Foreign currency changes increased revenue for the six months ended June 30, 2024, primarily as a result of the strengthening of the British Pound against the U.S. Dollar period-over-period. Acquisitions, net of dispositions for the three and six months ended June 30, 2024 positively impacted revenue and were primarily related to the purchase of Flywheel Digital in January 2024 and acquisition activity in our Advertising & Media discipline in the prior year.

In the U.K., organic revenue growth period-over-period for the three and six months ended June 30, 2024 of 6.9% and 5.1%, respectively, was led by our Advertising & Media and Experiential disciplines, partially offset by weakness in our Public Relations and Precision Marketing disciplines. In Continental Europe, which includes the Euro Zone and the other European countries, organic growth for the three and six months ended June 30, 2024 of 4.5% and 4.0%, respectively, was led by Germany, Italy, Netherlands and Spain and in most disciplines, partially offset by under performance in our Public Relations discipline.

In the Middle East and Africa, for the three and six months ended June 30, 2024, organic revenue increased period-over-period, driven by our Experiential discipline and partially offset by decreases in our Advertising & Media discipline, which faced a difficult comparison in the region to the prior year periods.

## **Asia-Pacific**

In Asia-Pacific, organic revenue was flat period-over-period for the three months ended June 30, 2024 and increased slightly in the six months ended June 30, 2024. Organic growth in our Advertising & Media discipline was partially offset by underperformance in our Experiential discipline, which faced difficult comparisons to the prior year periods. Several major markets in the region, especially Hong Kong and India, had positive organic growth as compared to the prior year periods. The organic growth in the region was partially offset by an underperformance in China, Australia, and Singapore. The weakening of most foreign currencies in the region against the U.S. Dollar, especially the Japanese Yen, Australian Dollar, and Chinese Renminbi, decreased revenue period to period. Acquisition activity, including the purchase of Flywheel Digital in January 2024, increased revenue compared to the prior year periods.



## Revenue by Industry

Revenue by type of client industry sector:

|                                | Three Months Ended June 30, |       | Six Months Ended June 30, |       |
|--------------------------------|-----------------------------|-------|---------------------------|-------|
|                                | 2024                        | 2023  | 2024                      | 2023  |
| Pharmaceuticals and Healthcare | <b>17 %</b>                 | 17 %  | <b>16 %</b>               | 17 %  |
| Food and Beverage              | <b>15 %</b>                 | 15 %  | <b>16 %</b>               | 15 %  |
| Auto                           | <b>11 %</b>                 | 12 %  | <b>11 %</b>               | 12 %  |
| Consumer Products              | <b>11 %</b>                 | 8 %   | <b>10 %</b>               | 8 %   |
| Technology                     | <b>7 %</b>                  | 8 %   | <b>7 %</b>                | 8 %   |
| Financial Services             | <b>7 %</b>                  | 7 %   | <b>7 %</b>                | 7 %   |
| Travel and Entertainment       | <b>7 %</b>                  | 7 %   | <b>7 %</b>                | 7 %   |
| Retail                         | <b>7 %</b>                  | 7 %   | <b>6 %</b>                | 6 %   |
| Telecommunications             | <b>3 %</b>                  | 4 %   | <b>3 %</b>                | 4 %   |
| Government                     | <b>4 %</b>                  | 4 %   | <b>4 %</b>                | 4 %   |
| Services                       | <b>3 %</b>                  | 3 %   | <b>3 %</b>                | 3 %   |
| Oil, Gas and Utilities         | <b>2 %</b>                  | 2 %   | <b>2 %</b>                | 2 %   |
| Not-for-Profit                 | <b>1 %</b>                  | 1 %   | <b>1 %</b>                | 1 %   |
| Education                      | <b>1 %</b>                  | 1 %   | <b>1 %</b>                | 1 %   |
| Other                          | <b>4 %</b>                  | 4 %   | <b>6 %</b>                | 5 %   |
| <b>Total</b>                   | <b>100 %</b>                | 100 % | <b>100 %</b>              | 100 % |

## Operating Expenses

The period-over-period change in operating expenses:

**Three Months Ended June 30,**

|                                              | <b>2024</b>      |                     | <b>2023</b>      |                     | <b>2024 vs. 2023</b> |                 |
|----------------------------------------------|------------------|---------------------|------------------|---------------------|----------------------|-----------------|
|                                              | <b>\$</b>        | <b>% of Revenue</b> | <b>\$</b>        | <b>% of Revenue</b> | <b>\$ Change</b>     | <b>% Change</b> |
| <b>Revenue</b>                               | <b>\$3,853.8</b> |                     | <b>\$3,609.9</b> |                     | <b>\$ 243.9</b>      | <b>6.8 %</b>    |
| <b>Operating Expenses:</b>                   |                  |                     |                  |                     |                      |                 |
| Salary and service costs:                    |                  |                     |                  |                     |                      |                 |
| Salary and related costs                     | <b>1,836.9</b>   | <b>47.7 %</b>       | 1,772.0          | 49.1 %              | 64.9                 | 3.7 %           |
| Third-party service costs                    | <b>811.1</b>     | <b>21.0 %</b>       | 715.8            | 19.8 %              | 95.3                 | 13.3 %          |
| Third-party incidental costs                 | <b>152.1</b>     | <b>3.9 %</b>        | 130.0            | 3.6 %               | 22.1                 | 17.0 %          |
| Total salary and service costs               | <b>2,800.1</b>   | <b>72.7 %</b>       | 2,617.8          | 72.5 %              | 182.3                | 7.0 %           |
| Occupancy and other costs                    | <b>314.2</b>     | <b>8.2 %</b>        | 297.7            | 8.2 %               | 16.5                 | 5.5 %           |
| Real estate and other repositioning costs    | <b>57.8</b>      | <b>1.5 %</b>        | 72.3             | 2.0 %               | (14.5)               | (20.1)%         |
| Gain on disposition of subsidiary            | <b>—</b>         | <b>— %</b>          | (78.8)           | (2.2)%              | 78.8                 |                 |
| Cost of services                             | <b>3,172.1</b>   |                     | 2,909.0          |                     | 263.1                | 9.0 %           |
| Selling, general and administrative expenses | <b>111.0</b>     | <b>2.9 %</b>        | 99.1             | 2.7 %               | 11.9                 | 12.0 %          |
| Depreciation and amortization                | <b>60.4</b>      | <b>1.6 %</b>        | 51.1             | 1.4 %               | 9.3                  | 18.2 %          |
| <b>Total operating expenses</b>              | <b>3,343.5</b>   | <b>86.8 %</b>       | 3,059.2          | 84.7 %              | 284.3                | 9.3 %           |
| <b>Operating Income</b>                      | <b>\$ 510.3</b>  | <b>13.2 %</b>       | <b>\$ 550.7</b>  | <b>15.3 %</b>       | <b>\$ (40.4)</b>     | <b>(7.3)%</b>   |

| Six Months Ended June 30,                    |                  |               |           |         |               |          |
|----------------------------------------------|------------------|---------------|-----------|---------|---------------|----------|
|                                              | 2024             |               | 2023      |         | 2024 vs. 2023 |          |
|                                              | % of             |               | % of      |         | \$            |          |
|                                              | \$               | Revenue       | \$        | Revenue | Change        | % Change |
| <b>Revenue</b>                               | <b>\$7,484.3</b> |               | \$7,053.2 |         | \$ 431.1      | 6.1 %    |
| <b>Operating Expenses:</b>                   |                  |               |           |         |               |          |
| Salary and service costs:                    |                  |               |           |         |               |          |
| Salary and related costs                     | <b>3,684.2</b>   | <b>49.2 %</b> | 3,550.0   | 50.3 %  | 134.2         | 3.8 %    |
| Third-party service costs                    | <b>1,509.3</b>   | <b>20.2 %</b> | 1,355.1   | 19.2 %  | 154.2         | 11.4 %   |
| Third-party incidental costs                 | <b>299.2</b>     | <b>4.0 %</b>  | 255.6     | 3.6 %   | 43.6          | 17.1 %   |
| Total salary and service costs               | <b>5,492.7</b>   | <b>73.4 %</b> | 5,160.7   | 73.2 %  | 332.0         | 6.4 %    |
| Occupancy and other costs                    | <b>628.3</b>     | <b>8.4 %</b>  | 589.3     | 8.4 %   | 39.0          | 6.6 %    |
| Real estate and other repositioning costs    | <b>57.8</b>      | <b>0.8 %</b>  | 191.5     | 2.7 %   | (133.7)       | (69.8)%  |
| Gain on disposition of subsidiary            | —                | — %           | (78.8)    | (1.1)%  | 78.8          |          |
| Cost of services                             | <b>6,178.8</b>   |               | 5,862.7   |         | 316.1         | 5.4 %    |
| Selling, general and administrative expenses | <b>196.3</b>     | <b>2.6 %</b>  | 188.3     | 2.7 %   | 8.0           | 4.2 %    |
| Depreciation and amortization                | <b>120.0</b>     | <b>1.6 %</b>  | 105.0     | 1.5 %   | 15.0          | 14.3 %   |
| <b>Total operating expenses</b>              | <b>6,495.1</b>   | <b>86.8 %</b> | 6,156.0   | 87.3 %  | 339.1         | 5.5 %    |
| <b>Operating Income</b>                      | <b>\$ 989.2</b>  | <b>13.2 %</b> | \$ 897.2  | 12.7 %  | \$ 92.0       | 10.3 %   |

We measure cost of services in two distinct categories: salary and service costs and occupancy and other costs. As a service business, salary and service costs make up the significant portion of our operating expenses and substantially all these costs comprise the essential components directly linked to the delivery of our services. Salary and service costs include employee compensation and benefits, freelance labor, third-party service costs, and third-party incidental costs. Third-party service costs include vendor costs when we act as principal in providing services to our clients. Third-party incidental costs that are required to be included in revenue primarily consist of client-related travel and incidental out-of-pocket costs, which are billed back to the client directly at our cost. Occupancy and other costs consist of the indirect costs related to the delivery of our services, including office rent and other occupancy costs, equipment rent, technology costs, general office expenses and other expenses. Adverse and beneficial fluctuations in foreign currencies from period to period impact our results of operations and financial position when we translate our financial statements from local foreign currencies to the U.S. Dollar. However, substantially all of our foreign operations transact business in their local currency, mitigating the impact of changes in foreign currency exchange rates on our operating margin percentage. As a result, the changes in our operating expenses period-over-period from foreign currency translation were in line with the percentage impact from changes in foreign currencies on revenue for the three- and six- month periods ended June 30, 2024.

Operating expenses for the three months ended June 30, 2024 compared to the prior year period increased \$284.3 million, or 9.3%, to \$3,343.5 million from \$3,059.2 million. For the three months ended June 30, 2024, operating expenses included \$57.8 million of repositioning costs, reflecting severance actions related to ongoing efficiency initiatives including strategic agency consolidation in our smaller international markets and the launch of our centralized production strategy. Included in operating expenses for the three-month period ended June 30, 2023 is a reduction from the gain on disposition of subsidiary in our Execution & Support discipline of \$78.8 million and an increase related to repositioning costs of \$72.3 million incurred in the period, consisting primarily of severance payments (see Note 10 to the unaudited financial statements).

Operating expenses for the six months ended June 30, 2024 compared to the prior year period increased \$339.1 million, or 5.5%, to \$6,495.1 million from \$6,156.0 million. For the six months ended June 30, 2024, operating expenses included \$57.8 million of repositioning costs, reflecting severance actions related to ongoing efficiency initiatives including strategic agency consolidation in our smaller international markets and the launch of our centralized production strategy. Included in operating expense for the six-month period ended June 30, 2023 is the net impact of the gain on disposition of subsidiary in our Execution & Support discipline of \$78.8 million and repositioning costs related to real estate and other exit charges and severance of \$191.5 million incurred in the period (see Notes 10 and 11 to the unaudited financial statements).

#### **Operating Expenses - Salary and Service Costs**

Salary and service costs, which tend to fluctuate with changes in revenue, are comprised of salary and related costs, third-party service costs, and third-party incidental costs.

Salary and service costs for the three months ended June 30, 2024 compared to the prior year period increased \$182.3 million, or 7.0%, to \$2,800.1 million. Salary and related costs for the three months ended June 30, 2024 increased \$64.9 million, or 3.7%, to \$1,836.9 million, primarily as a result of our acquisition of Flywheel Digital. These costs were down as a percentage of revenue primarily due to our ongoing repositioning actions and global employee mix. Third-party service costs for the three months ended



June 30, 2024 increased \$95.3 million, or 13.3%, to \$811.1 million, primarily as a result of organic growth in Media, Execution & Support and Experiential disciplines. Third-party incidental costs for the three months ended June 30, 2024 increased \$22.1 million, or 17.0%, to \$152.1 million.

Salary and service costs for the six months ended June 30, 2024 compared to the prior year period increased \$332.0 million, or 6.4%, to \$5,492.7 million. Salary and related costs for the six months ended June 30, 2024 increased \$134.2 million, or 3.8%, to \$3,684.2 million, primarily as a result of our acquisition of Flywheel Digital. These costs were down as a percentage of revenue primarily due to our ongoing repositioning actions and global employee mix. Third-party service costs for the six months ended June 30, 2024 increased \$154.2 million, or 11.4%, to \$1,509.3 million, primarily as a result of organic growth in Media and Experiential disciplines. Third-party incidental costs for the six months ended June 30, 2024, increased \$43.6 million, or 17.1%, to \$299.2 million.

### **Operating Expenses - Occupancy and Other Costs**

Occupancy and other costs for the three and six months ended June 30, 2024 which are less directly linked to changes in revenue than salary and service costs, increased by \$16.5 million, or 5.5%, to \$314.2 million and increased by \$39.0 million, or 6.6%, to \$628.3 million, respectively, primarily resulting from our acquisition activity. Increased occupancy costs were partially offset by lower rent expense in the periods.

### **Operating Expenses - Selling, General & Administrative Expenses**

SG&A expenses primarily consist of third-party marketing costs, professional fees, compensation and benefits and occupancy and other costs of our corporate and executive offices, including group-wide finance and accounting, treasury, legal and governance, human resource oversight and similar costs. SG&A expenses increased for the three and six months ended June 30, 2024 compared to the same period in 2023 by \$11.9 million and \$8.0 million, respectively primarily due to professional fees related to our acquisitions and investments in strategic initiatives.

### **Operating Income**

Operating income for the three months ended June 30, 2024 compared to the same period in 2023, decreased \$40.4 million to \$510.3 million, and operating margin decreased to 13.2% from 15.3%. EBITA decreased \$33.6 million to \$531.8 million, and EBITA margin decreased to 13.8% from 15.7%. The effect of the repositioning actions in the second quarter of 2024 reduced operating income and EBITA by \$57.8 million and decreased both operating margin and EBITA margin by 1.5%. The net effect of the second quarter of 2023 repositioning costs and the gain on disposition of subsidiaries related to our research businesses in the Execution & Support discipline increased both operating income and EBITA by \$6.5 million, and increased both operating margin and EBITA margin by 0.2%.

Operating income for the six months ended June 30, 2024 compared to the same period in 2023, increased \$92.0 million to \$989.2 million, and operating margin increased to 13.2% from 12.7%. EBITA increased \$105.5 million to \$1,032.2 million, and EBITA margin increased to 13.8% from 13.1%. The effect of the repositioning actions in the second quarter of 2024 reduced operating income and EBITA by \$57.8 million and decreased both operating margin and EBITA margin by 0.8%. The effect of the real estate and other repositioning costs and the gain on disposition of subsidiaries in the six months ended June 30, 2023 reduced both operating income and EBITA by \$112.7 million, and reduced both operating margin and EBITA margin by 1.6%.

**Net Interest Expense**

Net interest expense for the three and six months ended June 30, 2024 increased \$14.3 million and \$21.8 million period-over-period to \$41.7 million and \$68.5 million, respectively.

Interest expense on debt for the three and six months ended June 30, 2024 increased \$5.0 million and \$5.4 million period-over-period to \$56.8 million and \$107.4 million, respectively, primarily related to the issuance in the first quarter of 2024 of €600 million 3.70% Senior Notes due 2032, or 2032 Notes.

Interest income in the three and six months ended June 30, 2024 decreased \$9.1 million and \$17.7 million period-over-period to \$21.0 million and \$48.0 million, respectively, principally due to lower cash balances.

**Income Taxes**

Our effective tax rate for the six months ended June 30, 2024 decreased period-over-period to 26.0% from 26.4%. The effective tax rate for six months ended June 30, 2024 includes the favorable impact from the resolution of certain non-U.S. tax positions of \$7.5 million. The effective tax rate for the six months ended June 30, 2023 includes an increase of approximately \$10.7 million in income tax expense related to a lower tax benefit in certain jurisdictions for the real estate and other repositioning costs in the period and an increase in the U.K. statutory tax rate, partially offset by approximately \$10.0 million of favorable impacts from the resolution of certain non-U.S. tax positions.

**Net Income and Net Income Per Share - Omnicom Group, Inc.**

Net income - Omnicom Group Inc. in the three months ended June 30, 2024 decreased \$38.2 million to \$328.1 million from \$366.3 million. The period-over-period decrease is due to the factors described above. Diluted net income per share - Omnicom Group Inc. decreased to \$1.65 in the three months ended June 30, 2024, from \$1.82 in the three months ended June 30, 2023, due to the factors described above and the impact of the reduction in our weighted average common shares outstanding resulting from the repurchases of our common stock. For the three months ended June 30, 2024, the impact of repositioning costs reduced net income - Omnicom Group Inc. by \$42.9 million and diluted net income per share - Omnicom Group Inc. by \$0.22. For the three months ended June 30, 2023, the net impact of the real estate and other repositioning costs and gain on disposition of subsidiaries increased net income - Omnicom Group Inc. by \$1.4 million and diluted net income per share - Omnicom Group Inc. by \$0.01.

Net income - Omnicom Group Inc. in the six months ended June 30, 2024 increased \$52.9 million to \$646.7 million from \$593.8 million. The period-over-period increase is due to the factors described above. Diluted net income per share - Omnicom Group Inc. increased to \$3.24 in the six months ended June 30, 2024, from \$2.92 in the six months ended June 30, 2023, due to the factors described above, partially offset by the impact of the reduction in our weighted average common shares outstanding resulting from the repurchases of our common stock. For the six months ended June 30, 2024, the impact of repositioning costs reduced net income - Omnicom Group Inc. by \$42.9 million and diluted net income per share - Omnicom Group Inc. by \$0.22. For the six months ended June 30, 2023, the net impact of the real estate other repositioning costs and gain on disposition of subsidiaries reduced net income - Omnicom Group Inc. by \$89.6 million and diluted net income per share - Omnicom Group Inc. by \$0.44.

## **NON-GAAP FINANCIAL MEASURES**

We use certain non-GAAP financial measures in describing our performance. We use EBITA and EBITA Margin as additional operating performance measures, which excludes from operating income the non-cash amortization expense of acquired intangible assets and internally developed strategic platform assets. We believe EBITA and EBITA Margin are useful measures for investors to evaluate the performance of our business and allows for comparability between the periods presented. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP. Non-GAAP financial measures reported by us may not be comparable to similarly titled amounts reported by other companies.

### **Reconciliation of Non-GAAP Financial Measures**

The following table reconciles the U.S. GAAP financial measure of Net Income- Omnicom Group Inc. to EBITDA, EBITA and EBITA Margin:

|                                                                                                         | Three Months Ended June 30, |                   | Six Months Ended June 30, |                   |
|---------------------------------------------------------------------------------------------------------|-----------------------------|-------------------|---------------------------|-------------------|
|                                                                                                         | 2024                        | 2023              | 2024                      | 2023              |
| <b>Net Income - Omnicom Group Inc.</b>                                                                  | <b>\$ 328.1</b>             | <b>\$ 366.3</b>   | <b>\$ 646.7</b>           | <b>\$ 593.8</b>   |
| Net Income Attributed To Noncontrolling Interests                                                       | 20.1                        | 16.9              | 38.5                      | 33.3              |
| <b>Net Income</b>                                                                                       | <b>348.2</b>                | <b>383.2</b>      | <b>685.2</b>              | <b>627.1</b>      |
| Income From Equity Method Investments                                                                   | 3.3                         | 1.1               | 4.2                       | 1.2               |
| Income Tax Expense                                                                                      | 123.7                       | 141.2             | 239.7                     | 224.6             |
| <b>Income Before Income Taxes and Income From Equity Method Investments</b>                             | <b>468.6</b>                | <b>523.3</b>      | <b>920.7</b>              | <b>850.5</b>      |
| Interest Expense                                                                                        | 62.7                        | 57.5              | 116.5                     | 112.4             |
| Interest Income                                                                                         | 21.0                        | 30.1              | 48.0                      | 65.7              |
| <b>Operating Income</b>                                                                                 | <b>510.3</b>                | <b>550.7</b>      | <b>989.2</b>              | <b>897.2</b>      |
| Add back: Amortization of acquired intangible assets and internally developed strategic platform assets | 21.5                        | 14.7              | 43.0                      | 29.5              |
| Earnings before interest, taxes and amortization of intangible assets ("EBITA")                         | <b>\$ 531.8</b>             | <b>\$ 565.4</b>   | <b>\$ 1,032.2</b>         | <b>\$ 926.7</b>   |
| Amortization of other purchased and internally developed software                                       | 4.8                         | 4.6               | 9.1                       | 9.1               |
| Depreciation                                                                                            | 34.1                        | 31.8              | 67.9                      | 66.4              |
| <b>EBITDA</b>                                                                                           | <b>\$ 570.7</b>             | <b>\$ 601.8</b>   | <b>\$ 1,109.2</b>         | <b>\$ 1,002.2</b> |
| <b>Revenue</b>                                                                                          | <b>\$ 3,853.8</b>           | <b>\$ 3,609.9</b> | <b>\$ 7,484.3</b>         | <b>\$ 7,053.2</b> |
| <b>EBITA</b>                                                                                            | <b>\$ 531.8</b>             | <b>\$ 565.4</b>   | <b>\$ 1,032.2</b>         | <b>\$ 926.7</b>   |
| <b>EBITA Margin</b>                                                                                     | <b>13.8 %</b>               | <b>15.7 %</b>     | <b>13.8 %</b>             | <b>13.1 %</b>     |

## LIQUIDITY AND CAPITAL RESOURCES

### Cash Sources and Requirements

Primary sources of short-term liquidity are net cash provided by operating activities and cash and cash equivalents. Additional liquidity sources include our \$2.5 billion unsecured multi-currency revolving credit facility, or Credit Facility, terminating on June 2, 2028. We also have the ability to issue up to \$2 billion of U.S. Dollar denominated commercial paper and issue up to the equivalent of \$500 million in British Pounds or Euro under a Euro commercial paper program. In addition, certain of our international subsidiaries have uncommitted credit lines that are guaranteed by Omnicom, aggregating \$503.5 million. Our liquidity sources fund our non-discretionary cash requirements and our discretionary spending. The \$600 million Delayed Draw Term Loan Agreement, or Term Loan Facility automatically terminated on July 15, 2024.

Working capital, which we define as current assets minus current liabilities, is our principal non-discretionary funding requirement. Our working capital requirements typically peak during the second quarter of the year due to the timing of payments for incentive

compensation, income taxes and contingent purchase price obligations. In addition, we have contractual obligations related to our long-term debt (principal and interest payments), recurring business operations, primarily related to lease obligations, and acquisition related obligations. Our principal discretionary cash spending includes dividend payments to common shareholders, capital expenditures, strategic acquisitions and repurchases of our common stock.

Cash and cash equivalents decreased \$1.7 billion from December 31, 2023. During the first six months of 2024, we used \$760.2 million of cash in operating activities, which included the use for operating capital of \$1.7 billion, primarily related to our typical working capital cycle. Discretionary spending for the first six months of 2024 was \$1.5 billion, compared to \$917.8 million for the first six months of 2023. Discretionary spending for the first six months of 2024 was comprised of capital expenditures of \$62.3 million, dividends paid to common shareholders of \$278.9 million, dividends paid to shareholders of noncontrolling interests of \$34.2 million, repurchases of our common stock, net of proceeds from vesting of restricted stock awards and related tax benefits and common stock sold to our employee stock purchase plan of \$246.3 million, the acquisition of businesses, net of cash acquired, primarily attributable to the acquisition of Flywheel Digital and acquisition of additional shares of noncontrolling interests, and payment of contingent purchase price obligations of \$829.4 million. Discretionary spending was partially offset by the proceeds from financing activities of approximately \$650 million. The impact of foreign exchange rate changes decreased cash and cash equivalents by \$108.7 million.

Based on past performance and current expectations, we believe that net cash provided by operating activities and cash and cash equivalents will be sufficient to meet our non-discretionary cash requirements for the next twelve months. In addition, and over the longer term, our Credit Facility is available to fund our working capital and contractual obligations.

### **Cash Management**

Our regional treasury centers in North America, Europe and Asia manage our cash and liquidity. Each day, operations with excess funds invest those funds with their regional treasury center. Likewise, operations that require funds borrow from their regional treasury center. Treasury centers with excess cash invest on a short-term basis with third parties, with maturities generally ranging from overnight to 90 days. Certain treasury centers have notional pooling arrangements that are used to manage their cash and set-off foreign exchange imbalances. The arrangements require each treasury center to have its own notional pool account and to maintain a notional positive account balance. Additionally, under the terms of the arrangement, set-off of foreign exchange positions are limited to the long and short positions within their own account. To the extent that our treasury centers require liquidity, they have the ability to issue up to a total of \$2 billion of U.S. Dollar-denominated commercial paper and issue up to the equivalent of \$500 million in British Pounds or Euro under a Euro commercial paper program, or borrow under the Credit Facility, or the uncommitted credit lines. This process enables us to manage our debt more efficiently and utilize our cash more effectively, as well as manage our risk to foreign exchange rate imbalances. In countries where we either do not conduct treasury operations or it is not feasible for one of our treasury centers to fund net borrowing requirements on an intercompany basis, we arrange for local currency uncommitted credit lines. We have a policy governing counterparty credit risk with financial institutions that hold our cash and cash equivalents, and we have deposit limits for each institution. In countries where we conduct treasury operations, generally the counterparties are either branches or subsidiaries of institutions that are party to the Credit Facility. These institutions generally have credit ratings equal to or better than our credit ratings. In countries where we do not conduct treasury operations, all cash and cash equivalents are held by counterparties that meet specific minimum credit standards.

At June 30, 2024, our foreign subsidiaries held approximately \$1.4 billion of our total cash and cash equivalents of \$2.7 billion. Substantially all of the cash is available to us, net of any foreign withholding taxes payable upon repatriation to the United States.

At June 30, 2024, our net debt position, which we define as total debt, including short-term debt, less cash and cash equivalents, increased \$2.3 billion to \$3.5 billion from December 31, 2023. The increase in net debt primarily resulted from the use of cash of \$760.2 million for operating activities, which included the use for operating capital of \$1.7 billion, primarily related to our typical working capital requirement during the period, discretionary spending of \$1.5 billion, as discussed above, and the net decrease from foreign exchange rate changes on cash and cash equivalents and our foreign currency denominated debt of \$70 million.

Components of net debt:

|                                           | <b>June 30, 2024</b> | <b>December 31,<br/>2023</b> | <b>June 30, 2023</b> |
|-------------------------------------------|----------------------|------------------------------|----------------------|
| Short-term debt                           | \$ <b>15.1</b>       | \$ 10.9                      | \$ 20.5              |
| Long-term debt, including current portion | <b>6,239.6</b>       | 5,639.6                      | 5,613.7              |
| Total debt                                | <b>6,254.7</b>       | 5,650.5                      | 5,634.2              |
| Less:                                     |                      |                              |                      |
| Cash and cash equivalents                 | <b>2,711.7</b>       | 4,432.0                      | 2,734.1              |
| Short-term investments                    | <b>—</b>             | —                            | 75.9                 |
| Net debt                                  | <b>\$ 3,543.0</b>    | \$ 1,218.5                   | \$ 2,824.2           |

Net debt is a Non-GAAP liquidity measure. This presentation, together with the comparable U.S. GAAP liquidity measures, reflects one of the key metrics used by us to assess our cash management. Non-GAAP liquidity measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP. Non-GAAP liquidity measures as reported by us may not be comparable to similarly titled amounts reported by other companies.



## **Debt Instruments and Related Covenants**

On March 6, 2024, Omnicom Finance Holdings plc, or OFH, a U.K.-based wholly owned subsidiary of Omnicom, issued €600 million of the 2032 Notes. The net proceeds from the issuance, after deducting the underwriting discount and offering expenses, were \$643.1 million.

Our 2.45% Senior Notes due 2030, 4.20% Senior Notes due 2030 and 2.60% Senior Notes due 2031 are senior unsecured obligations of Omnicom that rank equal in right of payment with all existing and future unsecured senior indebtedness.

Omnicom and its wholly owned finance subsidiary, Omnicom Capital Inc., or OCI, are co-obligors under the 3.65% Senior Notes due 2024 and the 3.60% Senior Notes due 2026. These notes are a joint and several liability of Omnicom and OCI, and Omnicom unconditionally guarantees OCI's obligations with respect to the notes. OCI provides funding for our operations by incurring debt and lending the proceeds to our operating subsidiaries. OCI's assets primarily consist of cash and cash equivalents and intercompany loans made to our operating subsidiaries, and the related interest receivable. There are no restrictions on the ability of OCI or Omnicom to obtain funds from our subsidiaries through dividends, loans, or advances. Such notes are senior unsecured obligations that rank equal in right of payment with all existing and future unsecured senior indebtedness.

Omnicom and OCI have, jointly and severally, fully, and unconditionally guaranteed the obligations of OFH with respect to the €500 million 0.80% Senior Notes due 2027 and the €500 million 1.40% Senior Notes due 2031, and Omnicom has fully and unconditionally guaranteed the obligations of OFH with respect to the €600 million 3.70% 2032 Notes, collectively the Euro Notes. OFH's assets consist of its investments in several wholly owned finance companies that function as treasury centers, providing funding for various operating companies in Europe, Australia, and other countries in the Asia-Pacific region. The finance companies' assets consist of cash and cash equivalents and intercompany loans that they make or have made to the operating companies in their respective regions and the related interest receivable. There are no restrictions on the ability of Omnicom, OCI or OFH to obtain funds from their subsidiaries through dividends, loans, or advances. The Euro Notes and the related guarantees are senior unsecured obligations that rank equal in right of payment with all existing and future unsecured senior indebtedness of OFH and each of Omnicom and OCI, as applicable.

Omnicom has fully and unconditionally guaranteed the obligations of Omnicom Capital Holdings plc, or OCH, a U.K.-based wholly owned subsidiary of Omnicom, with respect to the £325 million 2.25% Senior Notes due 2033, or the Sterling Notes. OCH's assets consist of its investments in several wholly owned finance companies that function as treasury centers, providing funding for various operating companies in EMEA, Australia, and other countries in the Asia-Pacific region. The finance companies' assets consist of cash and cash equivalents and intercompany loans that they make or have made to the operating companies in their respective regions and the related interest receivable. There are no restrictions on the ability of Omnicom or OCH to obtain funds from their subsidiaries through dividends, loans, or advances. The Sterling Notes and the related guarantee are senior unsecured obligations that rank equal in right of payment with all existing and future unsecured senior indebtedness of OCH and Omnicom, respectively.

The Credit Facility and Term Loan Facility had a financial covenant that requires us to maintain a Leverage Ratio of consolidated indebtedness to consolidated EBITDA (earnings

before interest, taxes, depreciation, amortization and non-cash charges) of no more than 3.5 times for the most recently ended 12-month period. At June 30, 2024, we were in compliance with this covenant as our Leverage Ratio was 2.6 times. The Credit Facility does not limit our ability to declare or pay dividends or repurchase our common stock.

At June 30, 2024, our long-term and short-term debt was rated BBB+ and A2 by S&P and Baa1 and P2 by Moody's. Our access to the commercial paper market and the cost of these borrowings are affected by market conditions and our credit ratings. The long-term debt indentures and Credit Facility do not contain provisions that require acceleration of cash payments in the event of a downgrade in our credit ratings.

### **Credit Markets and Availability of Credit**

In light of the uncertainty of future economic conditions, we will continue to take actions available to us to respond to changing economic conditions, and we will continue to manage our discretionary expenditures. We will also continue to monitor and manage the level of credit made available to our clients. We believe that these actions, in addition to the availability of our Credit Facility, are sufficient to fund our near-term working capital needs and our discretionary spending. Information regarding our Credit Facility is provided in Note 6 to the unaudited consolidated financial statements.

We have the ability to fund our day-to-day liquidity, including working capital, by issuing commercial paper or borrowing under the Credit Facility. During the three months ended June 30, 2024, there were no drawings under the Credit Facility or the Term Loan Facility, and no commercial paper issuances.

We may issue commercial paper to fund our day-to-day liquidity when needed. However, disruptions in the credit markets may lead to periods of illiquidity in the commercial paper market and higher credit spreads. To mitigate any disruption in the credit markets and to fund our liquidity, we may borrow under the Credit Facility, or the uncommitted credit lines or access the capital markets if favorable conditions exist. We will continue to monitor closely our liquidity and conditions in the credit markets. We cannot predict with any certainty the impact on us of any disruptions in the credit markets. In such circumstances, we may need to

obtain additional financing to fund our day-to-day working capital requirements. Such additional financing may not be available on favorable terms, or at all.

### **Credit Risk**

We provide advertising, marketing and corporate communications services to several thousand clients that operate in nearly every sector of the global economy, and we grant credit to qualified clients in the normal course of business. Due to the diversified nature of our client base, we do not believe that we are exposed to a concentration of credit risk, as our largest client represented 2.9% of revenue for the twelve months ended June 30, 2024. However, during periods of economic downturn, the credit profiles of our clients could change.

In the normal course of business, our agencies enter into contractual commitments with media providers and production companies on behalf of our clients at levels that can substantially exceed the revenue from our services. These commitments are included in accounts payable when the services are delivered by the media providers or production companies. If permitted by local law and the client agreement, many of our agencies purchase media and production services for our clients as an agent for a disclosed principal. In addition, while operating practices vary by country, media type and media vendor, in the United States and certain foreign markets, many of our agencies' contracts with media and production providers specify that our agencies are not liable to the media and production providers under the theory of sequential liability until and to the extent we have been paid by our client for the media or production services.

Where purchases of media and production services are made by our agencies as a principal or are not subject to the theory of sequential liability, the risk of a material loss as a result of payment default by our clients could increase significantly, and such a loss could have a material adverse effect on our business, results of operations and financial position.

While we use various methods to manage the risk of payment default, including obtaining credit insurance, requiring payment in advance, mitigating the potential loss in the marketplace or negotiating with media providers, these may be insufficient, less available, or unavailable during a severe economic downturn.

### **CRITICAL ACCOUNTING ESTIMATES**

For a more complete understanding of our accounting estimates and policies, the unaudited consolidated financial statements and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, readers are encouraged to consider this information together with our discussion of our critical accounting policies under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2023 10-K.

### **Acquisitions and Goodwill**

We have made and expect to continue to make selective acquisitions. The evaluation of potential acquisitions is based on various factors, including specialized know-how, reputation, geographic coverage, competitive position and service offerings of the target businesses, as well as our experience and judgment.

Our acquisition strategy is focused on acquiring the expertise of an assembled workforce in order to continue to build upon the core capabilities of our various strategic business platforms and agency brands through the expansion of their geographic reach or their service capabilities to better serve our clients. Additional key factors we consider include the

competitive position and specialized know-how of the acquisition targets. Accordingly, as is typical in most service businesses, a substantial portion of the assets we acquire are intangible assets primarily consisting of the know-how of the personnel, which is treated as part of goodwill and is not required to be valued separately under U.S. GAAP. For each acquisition, we undertake a detailed review to identify other intangible assets that are required to be valued separately. A significant portion of the identifiable intangible assets acquired is derived from customer relationships, including the related customer contracts, as well as trade names. In valuing these identified intangible assets, we typically use an income approach and consider comparable market participant measurements.

We will continue to evaluate goodwill for impairment at least annually at May 1 each year and whenever events or circumstances indicate the carrying value may not be recoverable. Under FASB ASC Topic 350, Intangibles - Goodwill and Other, we have the option of either assessing qualitative factors to determine whether it is more-likely-than-not that the carrying value of our reporting units exceeds their respective fair value (Step 0) or proceeding directly to the quantitative goodwill impairment test. While there were no trigger events that required us to perform a quantitative test, we performed the annual quantitative impairment test and compared the fair value of each of our reporting units to its respective carrying value, including goodwill. We identified our regional reporting units as components of our operating segments, which are our six global agency networks. The regional reporting units and practice areas monitor performance and are responsible for the agencies in their region. They report to the segment managers and facilitate the administrative and logistical requirements of our key client matrix organization structure for delivering services to clients in their regions. We have concluded that for each of our operating segments, their regional reporting units have similar economic characteristics and should be aggregated for purposes of testing goodwill for impairment at the operating segment level. Our conclusion was based on a detailed analysis of the aggregation criteria set forth in FASB ASC Topic 280, Segment Reporting, and in FASB ASC Topic 350. Consistent with our fundamental business strategy, the agencies within our regional reporting units serve similar clients in similar industries, and in many cases the same clients. In addition, the agencies within our regional reporting units have similar economic characteristics, and the employees share similar skill sets. The main

economic components of each agency are employee compensation and related costs, and direct service costs and occupancy and other costs, which include rent and occupancy costs, technology costs that are generally limited to personal computers, servers and off-the-shelf software and other overhead expenses. Finally, the expected benefits of our acquisitions are typically shared by multiple agencies in various regions as they work together to integrate the acquired agency into our virtual client network strategy.

### **Goodwill Impairment Review - Estimates and Assumptions**

We use the following valuation methodologies to determine the fair value of our reporting units: (1) the income approach, which utilizes discounted expected future cash flows, (2) comparative market participant multiples for EBITDA (earnings before interest, taxes, depreciation and amortization) and (3) when available, consideration of recent and similar acquisition transactions.

In applying the income approach, we use estimates to derive the discounted expected cash flows ("DCF") for each reporting unit that serves as the basis of our valuation. These estimates and assumptions include revenue growth and operating margin, EBITDA, tax rates, capital expenditures, weighted average cost of capital and related discount rates and expected long-term cash flow growth rates. All of these estimates and assumptions are affected by conditions specific to our businesses, economic conditions related to the industry we operate in, as well as conditions in the global economy. The assumptions that have the most significant effect on our valuations derived using a DCF methodology are: (1) the expected long-term growth rate of our reporting units' cash flows and (2) the weighted average cost of capital ("WACC") for each reporting unit.

The long-term growth rate and WACC assumptions used in our evaluations:

|                       | <b>May 1, 2024</b> | <b>May 1, 2023</b> |
|-----------------------|--------------------|--------------------|
| Long-Term Growth Rate | 3.5%               | 3.5%               |
| WACC                  | 10.8% - 11.8%      | 11% - 11.4%        |

Long-term growth rate represents our estimate of the long-term growth rate for our industry and the geographic markets we operate in. For the past ten years, the average historical revenue growth rate of our reporting units and the Average Nominal GDP, or NGDP, growth of the countries comprising the major markets that account for substantially all of our revenue was approximately 3.6% and 4.7%, respectively. We considered this history when determining the long-term growth rates used in our annual impairment test at May 1, 2024. Included in the 10-year history is the full year 2020 that reflected the negative impact of the COVID-19 pandemic on the global economy and our revenue. We believe marketing expenditures over the long term have a high correlation to NGDP, notwithstanding the volatility of inflationary environments. Based on our past performance, we also believe that our growth rate can exceed NGDP growth in the short-term in the markets we operate in, which are similar across our reporting units. Accordingly, for our annual test as of May 1, 2024, we used an estimated long-term growth rate of 3.5%.

When performing the annual impairment test as of May 1, 2024 and estimating the future cash flows of our reporting units, we considered the current macroeconomic environment, as well as industry and market specific conditions in 2024. In the first half of 2024, our organic revenue increase was 4.6%, which excluded our net disposition activity and the impact from changes in foreign exchange rates.

The WACC is comprised of: (1) a risk-free rate of return, (2) a business risk index ascribed to us and to companies in our industry comparable to our reporting units based on a market derived variable that measures the volatility of the share price of equity securities relative to the volatility of the overall equity market, (3) an equity risk premium that is based on the rate of return on equity of publicly traded companies with business characteristics comparable to our reporting units, and (4) a current after-tax market rate of return on debt of companies with business characteristics similar to our reporting units, each weighted by the relative market value percentages of our equity and debt.

Our six reporting units vary in size with respect to revenue and the amount of debt allocated to them. These differences drive variations in fair value among our reporting units. In addition, these differences as well as differences in book value, including goodwill, cause variations in the amount by which fair value exceeds book value among the reporting units. The goodwill balances and debt vary by reporting unit primarily because our three legacy agency networks were acquired at the formation of Omnicom and were accounted for as a pooling of interests that did not result in any additional debt or goodwill being recorded. The remaining three agency networks were built through a combination of internal growth and acquisitions that were accounted for using the acquisition method and as a result, they have a relatively higher amount of goodwill and debt. Finally, the allocation of goodwill when components are transferred between reporting units is based on relative fair value at the time of transfer.

#### **Goodwill Impairment Review - Conclusion**

Based on the results of our impairment test, we concluded that our goodwill as of May 1, 2024 was not impaired, because the fair value of each of our reporting units was in excess of its respective net book value. For our reporting units with negative book value, we concluded that the fair value of their total assets was in excess of book value. The minimum decline in fair value that one of our reporting units would need to experience in order to fail the goodwill impairment test was approximately 48%. Notwithstanding our belief that the assumptions we used for WACC and long-term growth rate in our impairment testing were reasonable, we performed a sensitivity analysis for each reporting unit. The results of this sensitivity analysis on our impairment test as of May 1, 2024 revealed that if the WACC increased by 1% and/or the long-term growth rate decreased by 1%, the fair

value of each of our reporting units would continue to be in excess of its respective net book value and would pass the impairment test.

We will continue to perform our impairment test at May 1 each year, unless events or circumstances trigger the need for an interim impairment test. The estimates used in our goodwill impairment test do not constitute forecasts or projections of future results of operations, but rather are estimates and assumptions based on historical results and assessments of macroeconomic factors affecting our reporting units as of the valuation date. We believe that our estimates and assumptions are reasonable, but they are subject to change from period to period. Actual results of operations and other factors will likely differ from the estimates used in our discounted cash flow valuation, and it is possible that differences could be significant. A change in the estimates we use could result in a decline in the estimated fair value of one or more of our reporting units from the amounts derived as of our latest valuation and could cause us to fail our goodwill impairment test if the estimated fair value for the reporting unit is less than the carrying value of the net assets of the reporting unit, including its goodwill. A large decline in estimated fair value of a reporting unit could result in a non-cash impairment charge and may have an adverse effect on our results of operations and financial condition.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We manage our exposure to foreign exchange rate risk and interest rate risk through various strategies, including the use of derivative financial instruments. We use forward foreign exchange contracts as economic hedges to manage the cash flow volatility arising from foreign exchange rate fluctuations. We use net investment hedges to manage the volatility of foreign exchange rates on the investment in our foreign subsidiaries. We do not use derivatives for trading or speculative purposes. Using derivatives exposes us to the credit risk that counterparties to the derivative contracts will fail to meet their contractual obligations. We manage that risk through careful selection and ongoing evaluation of the counterparty financial institutions based on specific minimum credit standards and other factors. Our 2023 10-K provides a detailed discussion of the market risks affecting our operations. No material change has occurred in our market risks since the disclosure contained in our 2023 10-K. Note 15 to the unaudited consolidated financial statements provides a discussion of our foreign currency derivatives and cross currency swaps as of June 30, 2024.

### **ITEM 4. CONTROLS AND PROCEDURES**

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in reports we file with the SEC is recorded, processed, summarized and reported within applicable time periods. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is accumulated and communicated to management, including our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, as appropriate to allow timely decisions regarding required disclosure. Management, including our CEO and CFO, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of June 30, 2024. Based on that evaluation, our CEO and CFO concluded that, as of June 30, 2024, our disclosure controls and procedures are effective to ensure that decisions can be made timely with respect to required disclosures, as well as ensuring that the recording, processing, summarization and reporting of information required to be

included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 are appropriate.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Management, with the participation of our CEO, CFO and our agencies, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our CEO and CFO concluded that our internal control over financial reporting was effective as of June 30, 2024. There have not been any changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

KPMG LLP, an independent registered public accounting firm that audited our consolidated financial statements included in our 2023 10-K, has issued an attestation report on Omnicom’s internal control over financial reporting as of December 31, 2023, dated February 7, 2024.

## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

In the ordinary course of business, we are involved in various legal proceedings. We do not presently expect that these proceedings will have a material adverse effect on our results of operations or financial position.

### **Item 1A. Risk Factors**

There have been no material changes to the risk factors disclosed in Item 1A in our 2023 10-K.



## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Common stock repurchases during the three months ended June 30, 2024:

| Period                   | Total Number of<br>Shares<br>Purchased | Average Price<br>Paid<br>Per Share | Total Number of<br>Shares<br>Purchased as<br>Part of Publicly<br>Announced Plans<br>or Programs | Maximum<br>Number<br>of Shares that<br>May<br>Yet Be Purchased<br>Under the Plans<br>or Programs |
|--------------------------|----------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| April 1 - April 30, 2024 | 429,071                                | \$ 95.57                           | —                                                                                               | —                                                                                                |
| May 1 - May 31, 2024     | 304,670                                | 94.07                              | —                                                                                               | —                                                                                                |
| June 1 - June 30, 2024   | —                                      | —                                  | —                                                                                               | —                                                                                                |
|                          | 733,741                                | \$ 94.95                           | —                                                                                               | —                                                                                                |

During the three months ended June 30, 2024, we purchased 641,654 shares of our common stock in the open market for general corporate purposes, and we withheld 92,087 shares from employees to satisfy estimated statutory income tax obligations related to vesting of restricted stock awards. The value of the common stock withheld was based on the closing price of our common stock on the applicable vesting date. There were no unregistered sales of equity securities during the three months ended June 30, 2024.

## Item 5. Other Information

During the quarter ended June 30, 2024, none of the Company's directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement, or a non-Rule 10b5-1 trading arrangement, in each case as defined in Item 408 of Regulation S-K.

## Item 6. Exhibits

- 31.1 Certification of the Chairman and Chief Executive Officer required by Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
- 31.2 Certification of the Executive Vice President and Chief Financial Officer required by Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
- 32 Certification of the Chairman and Chief Executive Officer and the Executive Vice President and Chief Financial Officer required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350.
- 101.INS Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 17, 2024

### **OMNICOM GROUP INC.**

/s/ PHILIP J. ANGELASTRO

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Philip J. Angelastro  
Executive Vice President and Chief  
Financial Officer (Principal Financial  
Officer and Authorized Signatory)