

Omnicom

2024 First Quarter

April 16, 2024

Highlights

Revenue

- 4.0% organic revenue growth in Q1 2024
- Advertising & Media +7.0%, Precision Marketing +4.3% in Q1 2024
- Tailwind of +1.5% in Q1 2024 from net acquisitions & dispositions

Business update

- Flywheel Digital is successfully integrating into our Omni platform
- Significant new e-commerce capabilities and data signals allow Omnicom to deliver a unique combination of marketing and sales solutions
- Recent business wins, new business opportunities, the Olympics, and U.S. elections support our 2024 outlook

Income

- Operating income \$478.9 million (13.2% margin). EBITA \$500.4 million (13.8% margin) +4.1% from prior year non-GAAP adjusted EBITA⁽ⁱ⁾
- Reported diluted EPS of \$1.59. Non-GAAP adjusted diluted EPS of \$1.67, up 3.7% from prior year⁽ⁱ⁾

Capital allocation

- Acquisition of Flywheel Digital for \$845 million, financed with \$643 million of debt
- \$180.1 million in share repurchases and \$138.8 million in common dividends paid in Q1 2024
- 44.3% Return on Equity and 22.3% Return on Invested Capital for the 12 months ended March 31, 2024

(i) See Non-GAAP reconciliations on pages 18 - 20.

Income Statement Summary

	First Quarter	
	2024	2023
Revenue	\$ 3,630.5	\$ 3,443.3
<i>Operating Expenses</i> ^(a)	3,151.6	3,096.8
Operating Income	478.9	346.5
<i>Net Interest Expense</i>	26.8	19.3
<i>Income Tax Expense</i> ^(b)	116.0	83.4
<i>Income from Equity Method Investments</i>	0.9	0.1
<i>Net Income Attributed to Noncontrolling Interests</i>	18.4	16.4
Net Income - Omnicom Group Inc. ^{(a)(b)}	<u>\$ 318.6</u>	<u>\$ 227.5</u>
<i>Diluted Shares</i>	200.1	204.5
Net Income per Share - Diluted ^{(a)(b)}	\$ 1.59	\$ 1.11
Non-GAAP Adjusted Net Income per Share - Diluted ^{(a)(b)(5)}	\$ 1.67	\$ 1.61
<i>Dividends Declared Per Common Share</i>	\$ 0.70	\$ 0.70

In millions except per share amounts. See Notes on page 13 and non-GAAP reconciliations on pages 17 to 20.

Revenue Change

	First Quarter	
	\$	% Δ
Prior Period Revenue	\$ 3,443.3	
Foreign exchange rate impact ⁽¹⁾	(2.7)	(0.1)%
Acquisition revenue, net of disposition revenue ⁽²⁾	53.0	1.5 %
Organic growth⁽³⁾	136.9	4.0 %
Current Period Revenue	\$ 3,630.5	5.4 %

In millions. See Definition (1) through (3) on page 13.

Revenue by Discipline

First Quarter

	Revenue	% of Rev	% Growth	% Organic Growth ⁽³⁾
Advertising & Media	\$ 1,906.8	52.5 %	7.3 %	7.0 %
Precision Marketing	438.2	12.1 %	21.7 %	4.3 %
Public Relations	390.3	10.8 %	3.9 %	(1.1)%
Healthcare	323.6	8.9 %	1.6 %	2.1 %
Branding & Retail Commerce	200.2	5.5 %	(4.5)%	(3.8)%
Experiential	159.9	4.4 %	8.2 %	9.5 %
Execution & Support	211.5	5.8 %	(17.2)%	(4.3)%
Total	\$ 3,630.5	100.0 %	5.4 %	4.0 %

In millions. See Definition (3) on page 13. Precision Marketing discipline includes Flywheel Digital.

Revenue by Region

First Quarter

	Revenue	% of Rev	% Growth	% Organic Growth ⁽³⁾
United States	\$ 1,925.9	53.0 %	6.3 %	4.3 %
Other North America	115.0	3.2 %	0.3 %	1.1 %
United Kingdom	403.2	11.1 %	8.5 %	3.2 %
Euro Markets & Other Europe	602.6	16.6 %	3.8 %	3.5 %
Asia Pacific	407.7	11.2 %	0.5 %	3.0 %
Latin America	96.5	2.7 %	30.4 %	22.3 %
Middle East & Africa	79.6	2.2 %	(6.2)%	(4.2)%
Total	\$ 3,630.5	100.0 %	5.4 %	4.0 %

In millions. See Definition (3) on page 13.

Revenue by Industry Sector

	First Quarter	
	2024	2023
Pharmaceuticals & Healthcare	16%	16%
Food & Beverage	16%	16%
Auto	11%	11%
Consumer Products	9%	8%
Technology	7%	8%
Financial Services	7%	8%
Travel & Entertainment	7%	7%
Retail	6%	6%
Telecommunications	4%	4%
Government	4%	4%
Services	3%	3%
Oil, Gas & Utilities	2%	2%
Education	1%	1%
Not-for-Profit	1%	1%
Other	6%	5%
Total	100%	100%

Note: Prior year period amounts conform to the current period presentation.

Operating Expense Detail

	First Quarter			
	2024	% of Rev	2023	% of Rev
Revenue	\$ 3,630.5		\$ 3,443.3	
Operating expenses:				
Salary and related costs	1,847.3	50.9 %	1,778.0	51.6 %
Third-party service costs ^(c)	698.2	19.2 %	639.3	18.6 %
Third-party incidental costs ^(d)	147.1	4.1 %	125.6	3.6 %
Total salary and service costs	2,692.6		2,542.9	
Occupancy and other costs	314.1	8.7 %	291.6	8.5 %
Real estate repositioning costs ^(a)	—	— %	119.2	3.5 %
Cost of services	3,006.7		2,953.7	
Selling, general and administrative expenses	85.3	2.3 %	89.2	2.6 %
Depreciation and amortization	59.6	1.6 %	53.9	1.6 %
Total operating expenses	3,151.6	86.8 %	3,096.8	89.9 %
Operating Income^(a)	\$ 478.9		\$ 346.5	

In millions. See Notes on page 13.

Income Statement Summary - Non-GAAP Adjusted

	First Quarter			
	Reported 2024	Reported 2023	Non-GAAP Adjustments	Non-GAAP Adjusted 2023
Revenue	\$ 3,630.5	\$ 3,443.3	\$ —	\$ 3,443.3
Operating Expenses:				
<i>Real estate repositioning costs</i> ^(a)		119.2	(119.2)	—
Operating Expenses ^(a)	3,151.6	3,096.8	(119.2)	2,977.6
Operating Income ^(a)	478.9	346.5		465.7
Operating Income Margin %	13.2 %	10.1 %		13.5 %
Net Interest Expense	26.8	19.3		
Income Tax Expense ^(b)	116.0	83.4		
<i>Income Tax Rate</i>	25.7 %	25.5 %		
Income from Equity Method Investments	0.9	0.1		
Net Income Attributed to Noncontrolling Interests	18.4	16.4		
Net Income - Omnicom Group Inc. ^{(a)(b)}	<u>\$ 318.6</u>	<u>\$ 227.5</u>		
Net Income per Share - Diluted ^{(a)(b)}	\$ 1.59	\$ 1.11		
Non-GAAP Measures:				
EBITA ⁽⁵⁾	\$ 500.4	\$ 361.3	\$ 119.2	\$ 480.5
EBITA Margin %	13.8 %	10.5 %		14.0 %
Reported Net Income per Share - Diluted ^{(a)(b)}	\$ 1.59	\$ 1.11		\$ 1.11
After-tax amortization per diluted share ⁽⁵⁾	\$ 0.08			\$ 0.05
Real estate repositioning costs (after-tax) per diluted share ^{(a)(b)}				\$ 0.45
Non-GAAP Adjusted Net Income per Share - Diluted ⁽⁵⁾	\$ 1.67			\$ 1.61

In millions except per share amounts. See Notes on page 13 and Non-GAAP reconciliations on pages 17 - 20.

Cash Flow Performance

	Three Months March 31,	
	2024	2023
Free Cash Flow⁽⁴⁾	\$ 415.1	\$ 428.9
Primary Uses of Cash:		
<i>Dividends paid to Common Shareholders</i>	138.8	142.3
<i>Dividends paid to Noncontrolling Interest Shareholders</i>	13.3	12.5
<i>Capital Expenditures</i>	23.1	23.1
<i>Acquisition payments, including payment of contingent purchase price obligations, and acquisition of additional noncontrolling interests</i>	812.4	38.4
<i>Stock Repurchases, net of Proceeds from Stock Plans</i>	178.0	278.8
Primary Uses of Cash⁽⁴⁾	1,165.6	495.1
Net Free Cash Flow⁽⁴⁾	\$ (750.5)	\$ (66.2)

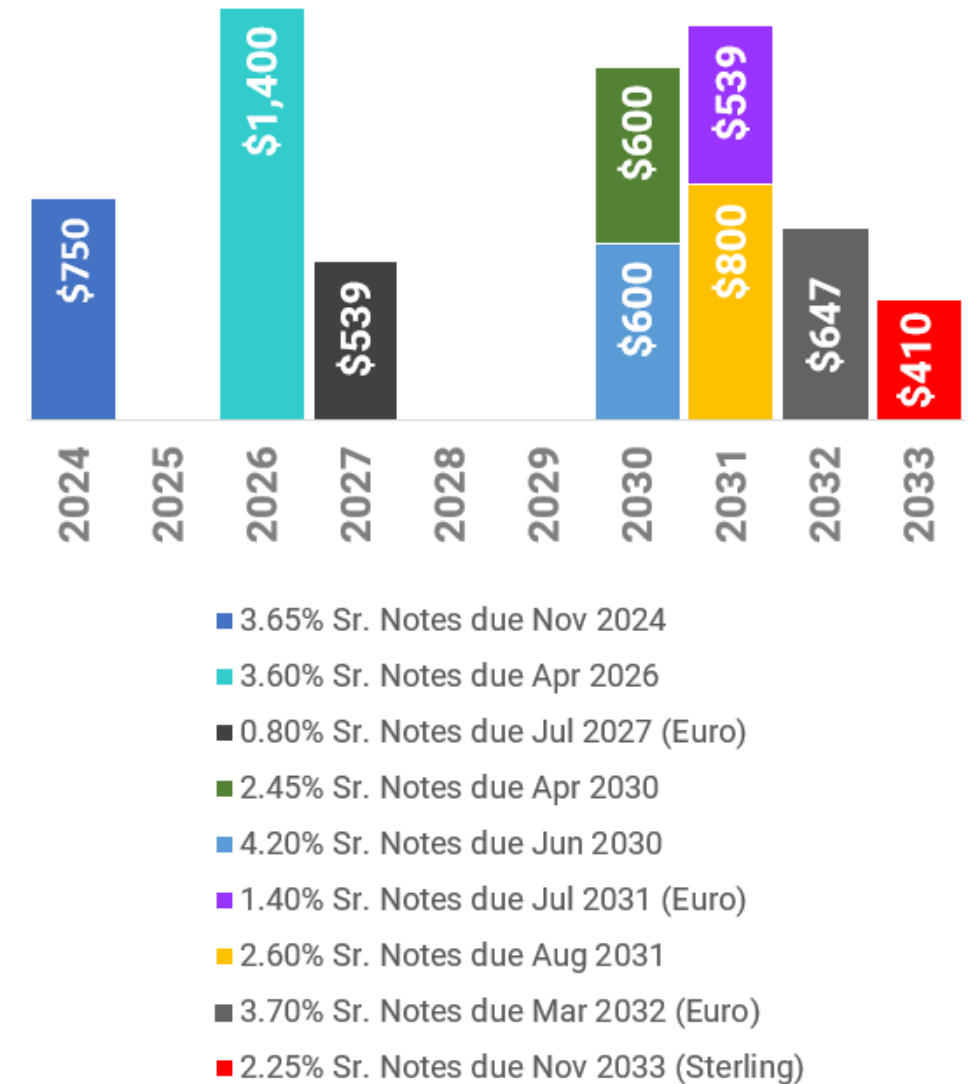
In millions. See Definition (4) on page 13 and Non-GAAP reconciliations on pages 17 - 20.

Credit & Liquidity

\$ Millions

	Twelve Months Ended March 31,	
	2024	2023
<i>EBITDA</i> ⁽⁵⁾	\$ 2,453.9	\$ 2,294.9
<i>Total Debt / EBITDA</i>	2.6 x	2.5 x
<i>Net Debt</i> ⁽⁶⁾ / <i>EBITDA</i>	1.3 x	1.0 x
Debt		
<i>Bank Loans (Due Less Than 1 Year)</i>	\$ 11.2	\$ 18.5
<i>USD-denominated Senior Notes</i>	4,150.0	4,150.0
<i>EUR-denominated Senior Notes</i>	1,726.1	1,106.0
<i>GBP-denominated Senior Notes</i>	410.2	413.9
<i>Other</i>	(35.0)	(60.5)
Total Debt	\$ 6,262.5	\$ 5,627.9
<i>Cash and Equivalents</i>	3,172.8	3,261.5
<i>Short Term Investments</i>	—	87.4
Net Debt ⁽⁶⁾	\$ 3,089.7	\$ 2,279.0

OMC Maturity Schedule



In millions. See Definitions (5) and (6) on page 13 and Non-GAAP reconciliations on pages 17 - 20.

Historical Returns

Return on Invested Capital (ROIC)⁽⁷⁾

<i>Twelve months ended March 31, 2024</i>	22.3 %
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<i>Twelve months ended March 31, 2023</i>	24.1 %
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Return on Equity⁽⁸⁾

<i>Twelve months ended March 31, 2024</i>	44.3 %
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<i>Twelve months ended March 31, 2023</i>	44.8 %
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In millions. See Definitions (7) and (8) on page 13.

Notes

Financial

- (a) For the three months ended March 31, 2023, operating expenses include \$119.2 million (\$91.0 million after-tax) related to real estate repositioning costs, which decreased diluted net income per share - Omnicom Group Inc. by \$0.45.
- (b) Income tax for the three months ended March 31, 2023 includes impacts related to real estate repositioning actions.
- (c) Third-party service costs include third-party supplier costs when we act as principal in providing services to our clients.
- (d) Third-party incidental costs primarily consist of client-related travel and incidental out-of-pocket costs which we bill back to the client directly at our cost and which we are required to include in revenue.
- (e) Constant Dollar ("C\$") expense is calculated by translating the current period's local currency expense using the prior period average exchange rates to derive current period C\$ expense. The foreign exchange rate impact is the difference between the current period expense in U.S. Dollars and the current period C\$ expense.

Definitions

- (1) Foreign exchange rate impact: calculated by translating the current period's local currency revenue using the prior period average exchange rates to derive current period constant currency revenue. The foreign exchange rate impact is the difference between the current period revenue in U.S. Dollars and the current period constant currency revenue.
- (2) Acquisition revenue, net of disposition revenue: 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 date 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 disposals through such date. The acquisition revenue and disposition revenue amounts are netted in the presentation on page 4.
- (3) Organic growth: calculated by subtracting the foreign exchange rate impact, and the acquisition revenue, net of disposition revenue components from total revenue growth.
- (4) See page 17 for the reconciliation of non-GAAP financial measures, which reconciles Free Cash Flow to the Net Cash Used in Operating Activities and Net Free Cash Flow to the Net Increase (Decrease) in Cash and Cash Equivalents for the periods presented on page 10. The Free Cash Flow, Primary Uses of Cash and Net Free Cash Flow amounts presented on page 10 are non-GAAP liquidity measures. See page 22 for the definition of Net Free Cash Flow.
- (5) EBITA and EBITDA are non-GAAP performance measures. Beginning with the three months ended March 31, 2024, EBITA is defined as operating income before amortization of acquired intangible assets and internally developed strategic platform assets. As a result, we reclassified the prior year to be consistent with the revised definition, which reduced EBITA from previously reported amounts. Non-GAAP Adjusted Net Income per share - Diluted reflects the after-tax effects of amortization of acquired intangible assets and internally developed strategic platform assets. We use EBITA and EBITA margin as additional operating performance measures, which exclude the non-cash amortization expense of acquired intangible assets and internally developed strategic platform assets and allows for comparability of the periods presented. See page 22 for the definition of these measures and page 18 and 19 for the reconciliation of Non-GAAP financial measures.
- (6) Net Debt is a non-GAAP liquidity measure. See page 22 for the definition of this measure, which is reconciled in the table on page 11.
- (7) Return on Invested Capital is After Tax Reported Operating Income (a non-GAAP performance measure – see page 22 for the definition of this measure and page 17 for the reconciliation of non-GAAP financial measures) divided by the average of Invested Capital at the beginning and the end of the period (book value of all long-term liabilities, including those related to operating leases, short-term interest bearing debt, the short-term liability related to operating leases plus shareholders' equity less cash, cash equivalents, short-term investments, and operating lease right of use assets).
- (8) Return on Equity is Reported Net Income for the given period divided by the average of shareholders' equity at the beginning and end of the period.
- (9) The Free Cash Flow amounts presented on page 15 are non-GAAP liquidity measures. See page 22 for the definition of this measure and page 17 for the reconciliation of the non-GAAP financial measures, which reconciles Free Cash Flow to the Net Cash Used in Operating Activities for the periods presented on page 15.

Appendix

Free Cash Flow

	Three Months Ended March 31,	
	2024	2023
Net Income	\$ 337.0	\$ 243.9
<i>Depreciation and Amortization of Intangible Assets</i>	59.6	53.9
<i>Share-Based Compensation</i>	22.1	20.7
<i>Real estate repositioning costs</i>	—	119.2
<i>Other Items to Reconcile to Net Cash Used in Operating Activities, net</i>	(3.6)	(8.8)
Free Cash Flow⁽⁹⁾	\$ 415.1	\$ 428.9

In millions. See Definition (9) on page 13 and non-GAAP reconciliations on pages 17 - 20.

Operating Expense Detail - Constant \$

	First Quarter		
	2024	2024 C\$(^e)	2023
Operating expenses:			
Salary and related costs	\$ 1,847.3	\$ 1,844.1	\$ 1,778.0
Third-party service costs ^(c)	698.2	703.1	639.3
Third-party incidental costs ^(d)	147.1	148.1	125.6
Total salary and service costs	2,692.6	2,695.3	2,542.9
Occupancy and other costs	314.1	313.7	291.6
Real estate repositioning costs ^(a)	—	—	119.2
Cost of services	3,006.7	3,009.0	2,953.7
 Selling, general and administrative expenses	 85.3	 85.3	 89.2
Depreciation and amortization	59.6	59.3	53.9
Total operating expenses ^(a)	<u>\$ 3,151.6</u>	<u>\$ 3,153.6</u>	<u>\$ 3,096.8</u>

In millions. See Notes on page 13.

Non-GAAP Reconciliations

Net Cash Used in Operating Activities

Operating Activities items excluded from Free Cash Flow:

Changes in Operating Capital

Free Cash Flow

Net Increase (Decrease) in Cash and Cash Equivalents

Cash Flow items excluded from Net Free Cash Flow:

Changes in Operating Capital

Proceeds from borrowings

Proceeds from (purchase of) short-term investments

Other investing, net

Changes in Short-term Debt, net

Other financing, net

Effect of foreign exchange rate changes on cash and cash equivalents

Net Free Cash Flow

Three Months Ended March 31,	
2024	2023
\$ (618.5)	\$ (522.1)
(1,033.6)	(951.0)
<u>\$ 415.1</u>	<u>\$ 428.9</u>
\$ (1,259.2)	\$ (1,020.3)
(1,033.6)	(951.0)
645.9	—
—	—
(13.7)	(14.5)
0.3	1.0
(21.8)	(8.0)
(85.8)	18.4
<u>\$ (750.5)</u>	<u>\$ (66.2)</u>

Reported Operating Income

Effective Tax Rate for the applicable period

Income Taxes on Reported Operating Income

After Tax Reported Operating Income

Twelve Months Ended March 31,	
2024	2023
\$ 2,237.1	\$ 2,076.8
26.3 %	26.2 %
588.4	544.1
<u>\$ 1,648.7</u>	<u>\$ 1,532.7</u>

In millions

Non-GAAP Reconciliations

	Three Months Ended March 31,	
	2024	2023
Net Income - Omnicom Group Inc. ^{(a)(b)}	\$ 318.6	\$ 227.5
<i>Net Income Attributed to Noncontrolling Interests</i>	18.4	16.4
<i>Income From Equity Method Investments</i>	0.9	0.1
<i>Income Tax Expense</i>	116.0	83.4
Income Before Income Taxes and Income From Equity Method Investments	452.1	327.2
<i>Net Interest Expense</i>	26.8	19.3
Operating Income ^{(a)(b)}	478.9	346.5
<i>Amortization of acquired intangible assets and internally developed strategic platform assets</i> ⁽⁵⁾	21.5	14.8
EBITA	500.4	361.3
<i>Amortization of other purchased and internally developed software</i>	4.3	4.5
<i>Depreciation</i>	33.8	34.6
EBITDA	\$ 538.5	\$ 400.4
EBITA	\$ 500.4	\$ 361.3
<i>Real estate repositioning costs</i>	—	119.2
EBITA - Adjusted	\$ 500.4	\$ 480.5
Revenue	\$ 3,630.5	\$ 3,443.3
EBITA	\$ 500.4	\$ 361.3
EBITA Margin %	13.8 %	10.5 %
EBITA - Adjusted	\$ 500.4	\$ 480.5
EBITA Margin % - Adjusted	13.8 %	14.0 %

In millions

The above table reconciles the GAAP financial measure of Net Income – Omnicom Group Inc. to the non-GAAP financial measures of EBITDA and EBITA for the periods presented.

EBITDA and EBITA, which are defined on page 22, are non-GAAP financial measures within the meaning of applicable SEC rules and regulations. Our credit facility defines EBITDA as earnings before deducting interest expense, income taxes, depreciation and amortization, and excludes certain other one-time items. Our credit facility uses EBITDA to measure our compliance with covenants, such as our leverage ratios, as presented on page 11 of this presentation. Adjusted EBITA and Adjusted EBITA Margin are non-GAAP measures, and management believes excluding real estate repositioning costs provides investors with a better picture of performance of the business during the periods presented. See page 22 for definition of non-GAAP financial measures.

Non-GAAP Reconciliations

	Three Months Ended March 31,	
	2024	2023
Net Income - Omnicom Group Inc.- Reported	\$ 318.6	\$ 227.5
<i>Net Income Attributed To Noncontrolling Interests</i>	18.4	16.4
<i>Income From Equity Method Investments</i>	0.9	0.1
<i>Income Tax Expense</i>	116.0	83.4
Income Before Income Taxes and Income From Equity Method Investments	452.1	327.2
<i>Net Interest Expense</i>	26.8	19.3
Operating Income - Reported	478.9	346.5
<i>Real estate repositioning costs</i>	—	119.2
Non-GAAP Operating Income - Adjusted	<u>\$ 478.9</u>	<u>\$ 465.7</u>

In millions

The above table reconciles the GAAP financial measure of Operating Income to adjusted Non-GAAP financial measure of Non-GAAP Operating Income - Adjusted for the periods presented. Management believes excluding the real estate repositioning costs, provides investors with a better picture of the performance of the business during the periods presented.

Non-GAAP Reconciliations

	First Quarter	
	2024	2023
Net Income - Omnicom Group Inc. - Reported	\$ 318.6	\$ 227.5
<i>Impact on Net Income related to:</i>		
<i>Real estate repositioning costs</i>	—	91.0
<i>Amortization of acquired intangible assets and internally developed strategic platform assets (after-tax)</i>	15.9	11.0
Non-GAAP Net Income - Omnicom Group Inc. - Adjusted	<u>\$ 334.5</u>	<u>\$ 329.5</u>
<i>Diluted Shares</i>	200.1	204.5
<i>Reported Net Income per Share - Diluted</i>	\$ 1.59	\$ 1.11
<i>Real estate repositioning costs - after-tax</i>	\$ —	\$ 0.45
<i>Amortization of acquired intangible assets and internally developed strategic platform assets (after-tax)</i>	\$ 0.08	\$ 0.05
Non-GAAP Adjusted Net Income per Share - Omnicom Group Inc.	<u>\$ 1.67</u>	<u>\$ 1.61</u>

In millions

The above table reconciles the GAAP financial measure of Net Income-Omnicom Group Inc., to the adjusted Non-GAAP financial measure of Net Income-Omnicom Group Inc.-Adjusted for the periods presented. Management believes these non-GAAP measures are useful for investors to evaluate the comparability of the performance of our business year to year.

Amortization of Intangible Assets

\$ Millions	2023				2023	2022
	Q1	Q2	Q3	Q4	Full Year	Full Year
Acquired intangible assets and internally developed strategic platform assets	\$ 14.8	\$ 14.7	\$ 15.7	\$ 16.6	\$ 61.8	\$ 58.8
Other purchased and internally developed software	4.5	4.6	4.6	4.8	18.5	21.5
Total Amortization Expense	\$ 19.3	\$ 19.3	\$ 20.3	\$ 21.4	\$ 80.3	\$ 80.3

In prior years, we reported total amortization of intangible assets. The above table provides the components of total amortization.

Disclosures

The preceding materials have been prepared for use in the April 16, 2024 conference call on Omnicom's results of operations for the three months ended March 31, 2024. The call will be archived on the Internet at <http://investor.omnicomgroup.com>

Forward-Looking Statements

Certain statements in this document contain 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 acquisitions, its 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 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.

Non-GAAP Financial Measures

We present financial measures determined in accordance with generally accepted accounting principles in the United States ("GAAP") and adjustments to the GAAP presentation ("Non-GAAP"), which we believe are meaningful for understanding our performance. We believe these measures are useful in evaluating the impact of certain items on operating performance and allow for comparability between reporting periods. EBITA is defined as operating income before amortization of acquired intangible assets and internally developed strategic platform assets and EBITA margin is defined as EBITA divided by revenue. We use EBITA and EBITA margin as additional operating performance measures, which exclude the non-cash amortization expense of acquired intangible assets and internally developed strategic platform assets. We also use Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EBITA, Adjusted EBITA Margin, Adjusted Income Tax Expense, Adjusted Net Income – Omnicom Group Inc. and Adjusted Net Income per diluted share – Omnicom Group Inc. as additional operating performance measures. Free Cash Flow is defined as net income plus depreciation, amortization, share based compensation expense plus/(less) other items to reconcile to net cash (used in) provided by operating activities. We believe Free Cash Flow is a useful measure of liquidity to evaluate our ability to generate excess cash from our operations. Primary Uses of Cash is defined as dividends to common shareholders, dividends paid to non-controlling interest shareholders, capital expenditures, cash paid on acquisitions, payments for additional interest in controlled subsidiaries and stock repurchases, net of the proceeds from our stock plans, and excludes changes in operating capital and other investing and financing activities, including commercial paper issuances and redemptions used to fund working capital changes. We believe this liquidity measure is useful in identifying the significant uses of our cash. Net Free Cash Flow is defined as Free Cash Flow less the Primary Uses of Cash. Net Free Cash Flow is one of the metrics used by us to assess our sources and uses of cash and was derived from our consolidated statements of cash flows. We believe that this liquidity measure is meaningful for understanding our primary sources and primary uses of that cash flow. EBITDA is defined as operating profit before interest, taxes, depreciation and amortization of intangible assets. Net Debt is defined as total debt less cash, cash equivalents and short-term investments. We believe net debt, together with the comparable GAAP measures, reflects one of the liquidity metrics used by us to assess our cash management. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. Non-GAAP financial measures as reported by us may not be comparable to similarly titled amounts reported by other companies.

Other Information

All dollar amounts are in millions except for per share figures. The information contained in this document has not been audited, although some data has been derived from Omnicom's historical financial statements, including its audited financial statements. In addition, industry, operational, and other non-financial data contained in this document have been derived from sources that we believe to be reliable, but we have not independently verified such information, and we do not, nor does any other person, assume responsibility for the accuracy or completeness of that information. Certain amounts in prior periods have been reclassified to conform to our current presentation. The inclusion of information in this presentation does not mean that such information is material or that disclosure of such information is required.