



**STAGWELL**

TRANSFORMING MARKETING

# FORWARD LOOKING STATEMENTS & OTHER INFORMATION

This presentation contains forward-looking statements. Statements in this presentation that are not historical facts, including without limitation the information under the heading "Financial Outlook" and statements about the Company's beliefs and expectations, earnings (loss) guidance, recent business and economic trends, potential acquisitions, and estimates of amounts for redeemable noncontrolling interests and deferred acquisition consideration, constitute forward-looking statements. Words such as "estimates", "expects", "contemplates", "will", "anticipates", "projects", "plans", "intends", "believes", "forecasts", "may", "should", and variations of such words or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined in this section. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events, if any. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statements. Such risk factors include, but are not limited to, the following:

- risks associated with international, national and regional unfavorable economic conditions that could affect the Company or its clients, including as a result of the novel coronavirus pandemic ("COVID-19");
- the effects of the outbreak of COVID-19, including the measures to reduce its spread, and the impact on the economy and demand for our services, which may precipitate or exacerbate other risks and uncertainties;
- an inability to realize expected benefits of the combination of the Company's business with the business of MDC (the "Business Combination" and, together with the related transactions, the "Transactions");
- adverse tax consequences in connection with the Transactions for the Company, its operations and its shareholders, that may differ from the expectations of the Company, including that future changes in tax law, potential increases to corporate tax rates in the United States and disagreements with the tax authorities on the Company's determination of value and computations of its attributes may result in increased tax costs;
- the occurrence of material Canadian federal income tax (including material "emigration tax") as a result of the Transactions;
- the impact of uncertainty associated with the Transactions on the Company's businesses;
- direct or indirect costs associated with the Transactions, which could be greater than expected;
- risks associated with severe effects of international, national and regional economic conditions;
- the Company's ability to attract new clients and retain existing clients;
- reduction in client spending and changes in client advertising, marketing and corporate communications requirements;
- financial failure of the Company's clients;
- the Company's ability to retain and attract key employees;
- the Company's ability to achieve the full amount of its stated cost saving initiatives;
- the Company's implementation of strategic initiatives;
- the Company's ability to remain in compliance with its debt agreements and the Company's ability to finance its contingent payment obligations when due and payable, including but not limited to those relating to redeemable noncontrolling interests and deferred acquisition consideration;
- the successful completion and integration of acquisitions which complement and expand the Company's business capabilities; and
- foreign currency fluctuations.

Investors should carefully consider these risk factors and the additional risk factors outlined in more detail under the caption "Risk Factors" in Exhibit 99.2 to our Current Report on Form 8-K, filed with the Securities and Exchange Commission (the "SEC") on August 10, 2021, and accessible on the SEC's website at [www.sec.gov](http://www.sec.gov), and in the Company's other SEC filings.

# FORWARD LOOKING STATEMENTS & OTHER INFORMATION

## Non-GAAP Financial Measures

In addition to its reported results, Stagwell Inc has included in this presentation certain financial results that the Securities and Exchange Commission (SEC) defines as "non-GAAP Financial Measures." Management believes that such non-GAAP financial measures, when read in conjunction with the Company's reported results, can provide useful supplemental information for investors analyzing period to period comparisons of the Company's results. Such non-GAAP financial measures include the following:

**Pro Forma Results:** Unless otherwise noted, financial results are presented on a Pro Forma basis giving effect to the combination as if it was completed on January 1, 2019. The Pro Forma amounts presented for each period were prepared by combining the historical standalone statements of operations for each of legacy MDC and SMG. The unaudited pro forma results are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or consolidated financial condition would have been had the combination actually occurred on the date indicated, nor do they purport to project the future consolidated results of operations or consolidated financial condition for any future period or as of any future date. The Company has excluded a quantitative reconciliation of adjusted Pro Forma EBITDA to net income under the "unreasonable efforts" exception in Item 10(e)(1)(i)(B) of Regulation S-K.

**Net Revenue:** GAAP Revenue adjusted to exclude certain third-party direct costs when the Company acts as principal for the services rendered in the client arrangement

**Organic Net Revenue:** "Organic net revenue growth" and "organic net revenue decline" refer to the positive or negative results, respectively, of subtracting both the foreign exchange and acquisition (disposition) components from total net revenue growth. The acquisition (disposition) component is calculated by aggregating prior period revenue for any acquired businesses, less the prior period revenue of any businesses that were disposed of during the current period. The organic revenue growth (decline) component reflects the constant currency impact of (a) the change in revenue of the partner firms that the Company has held throughout each of the comparable periods presented, and (b) "non-GAAP acquisitions (dispositions), net". Non-GAAP acquisitions (dispositions), net consists of (i) for acquisitions during the current year, the revenue effect from such acquisition as if the acquisition had been owned during the equivalent period in the prior year and (ii) for acquisitions during the previous year, the revenue effect from such acquisitions as if they had been owned during that entire year (or same period as the current reportable period), taking into account their respective pre-acquisition revenues for the applicable periods, and (iii) for dispositions, the revenue effect from such disposition as if they had been disposed of during the equivalent period in the prior year.

**Adjusted EBITDA:** Adjusted EBITDA is defined as Net income excluding non-operating income or expense to achieve operating income, plus depreciation and amortization, stock-based compensation, deferred acquisition consideration adjustments, and other items. Other items include restructuring costs, acquisition-related expenses, and non-recurring items.

**Pro Forma Free Cash Flow:** Pro Forma Free Cash Flow is a non-GAAP measure defined as Adjusted EBITDA less capital expenditures, change in net working capital, cash taxes, interest, and distributions to minority interests, but excludes contingent M&A payments.

**Financial Guidance:** The Company provides guidance on a non-GAAP basis as it cannot predict certain elements which are included in reported GAAP results.

**Net New Business:** Estimate of annualized revenue for new wins less annualized revenue for losses incurred in the period.





# *Investing in* the future of marketing



High-  
Growth  
Digital



Proven  
Leadership  
Team



Strong &  
Expanding  
Margins



Industry-  
leading  
Growth



Value  
Creation  
Platform



Moving  
Into Larger  
Markets





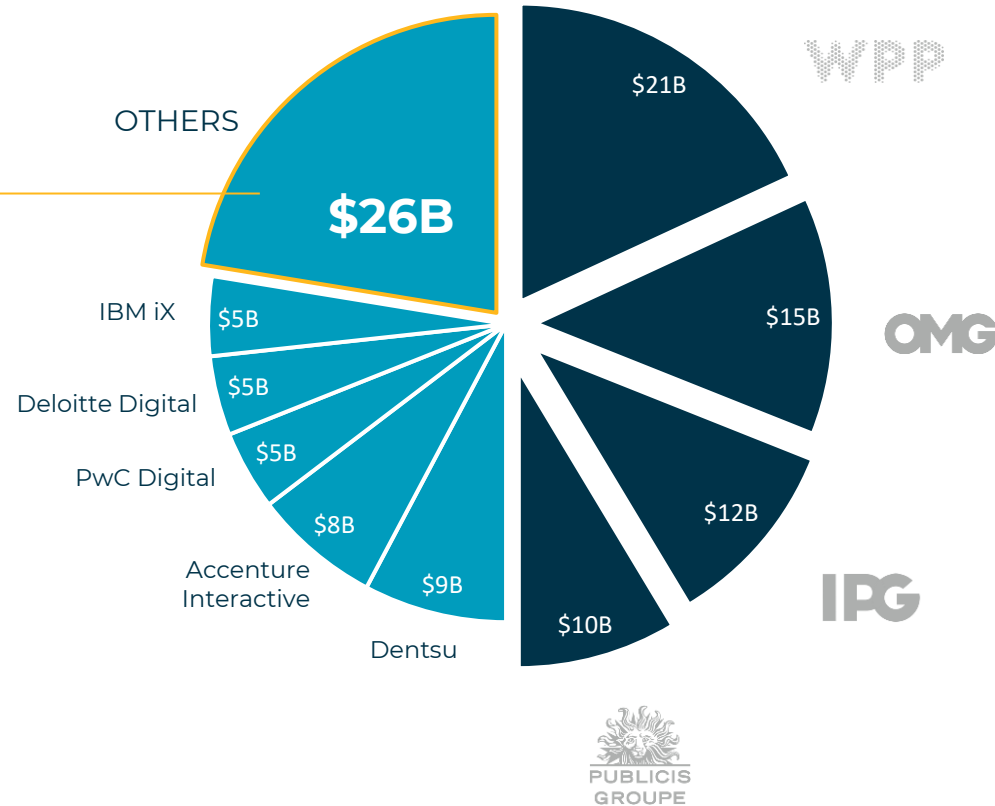
# *Market* Backdrop



# THE ADVERTISING MARKET IS RIPE FOR DISRUPTION

**~\$2B**  
**STAGWELL**

An opportunity to  
disrupt the \$60B of  
the legacy holding  
company marketplace



**\$60B**

spent with the top 4

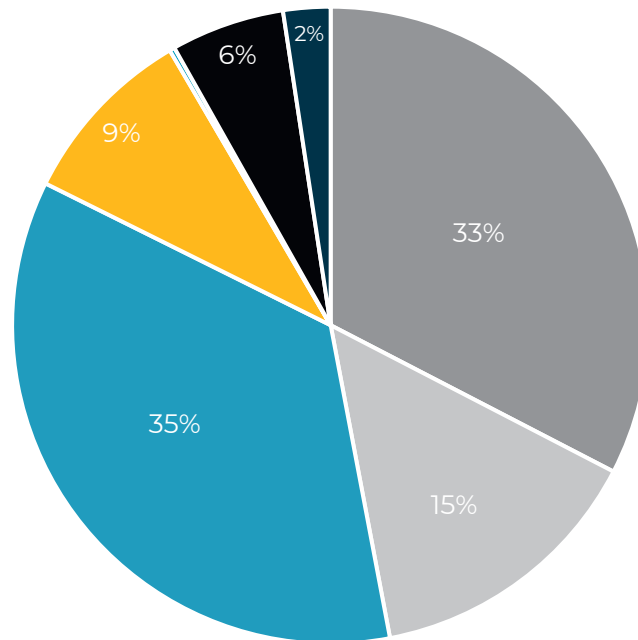
**\$120B**

spent on advertising  
& marketing services  
in 2018

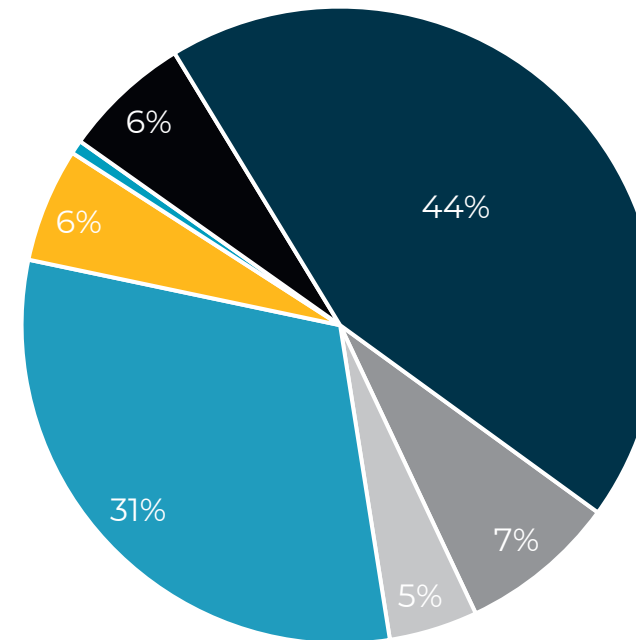
# DIGITAL MEDIA IS DISRUPTING MARKETING

The new marketplace creates new opportunities

**GLOBAL AD SPENDING 2000**  
(Total \$329B)



**GLOBAL AD SPENDING 2020**  
(Total \$613B)



■ Newspapers ■ Magazines ■ Television ■ Radio ■ Cinema ■ Outdoor ■ Internet

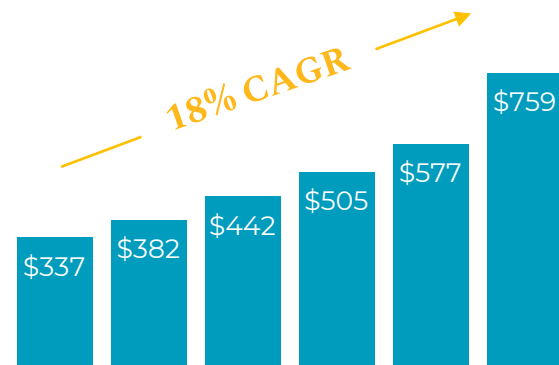
# DIGITAL MARKETING CONTINUES TO GROW RAPIDLY

Double digit growth in e-commerce & digital marketing services

## E-Commerce

Designing, creating, implementing & managing consumer e-commerce platforms

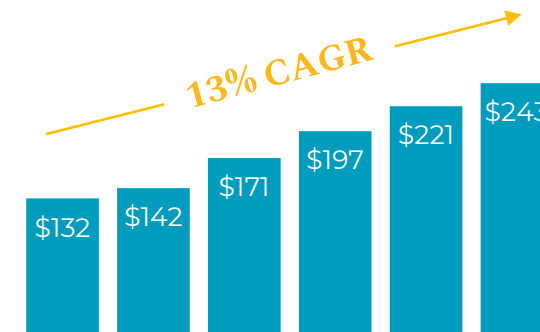
*US E-Commerce sales (\$ billions)*



## Digital Marketing Services

Services enabling influencers & global performance marketing

*US digital ad spend (\$ in billions)*



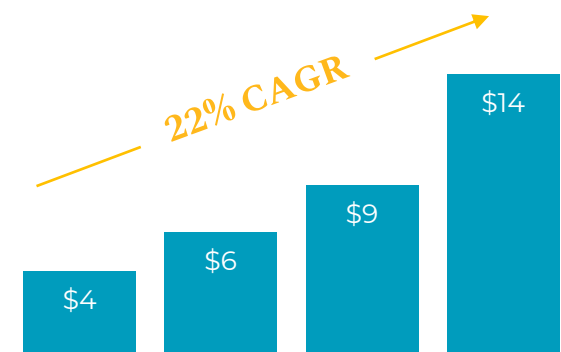


# POLITICAL & ADVOCACY

Strong secular growth in spend & fundraising facilitated by technology and driven by increased engagement

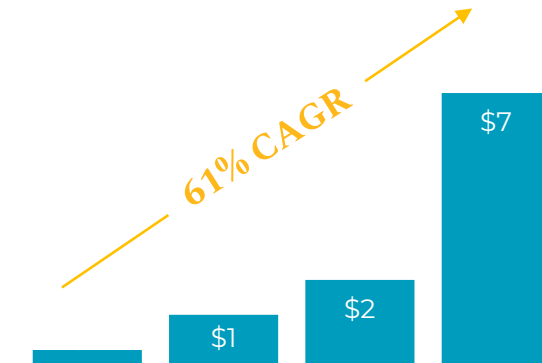
**Political  
Paid Media Spend**

(\$ in billions)



**Political  
Funds Raised Online**

(\$ in billions)



# PRECISION DATA

Addressable data for personalized, digital campaigns is growing rapidly and real-time insights becoming critical

## Addressable Data For Digital Targeting

### New Sources

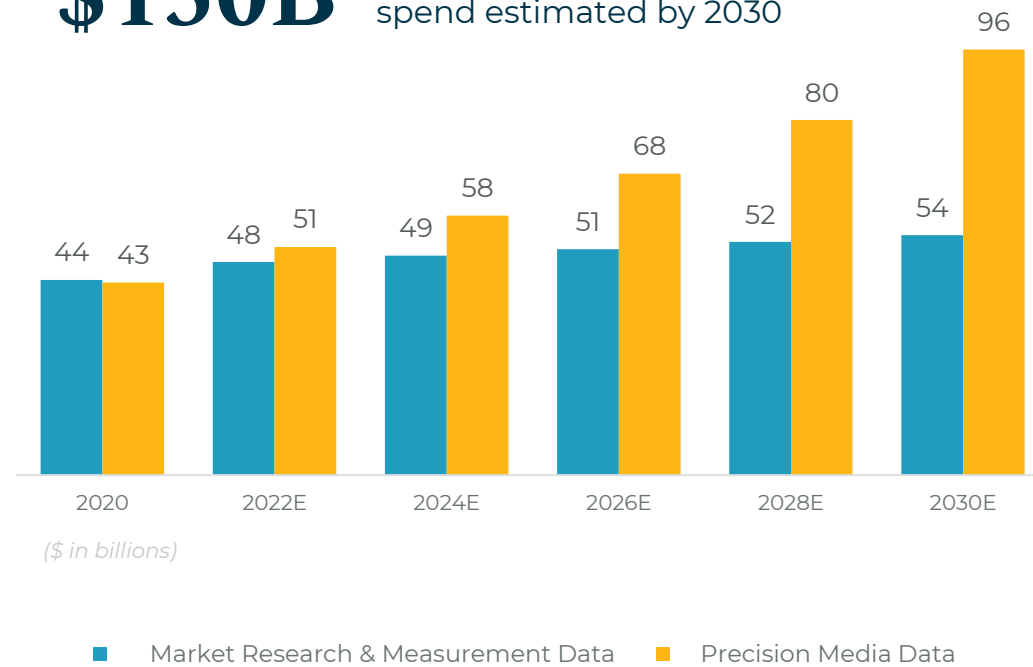
- Offline
- Web / Mobile
- Email
- CTV
- Gaming

### New Types

- Demographic
- Psychographic
- Geographic
- Behavioral
- Transaction

# \$150B

Global marketing data spend estimated by 2030





# MARKETING TECHNOLOGY

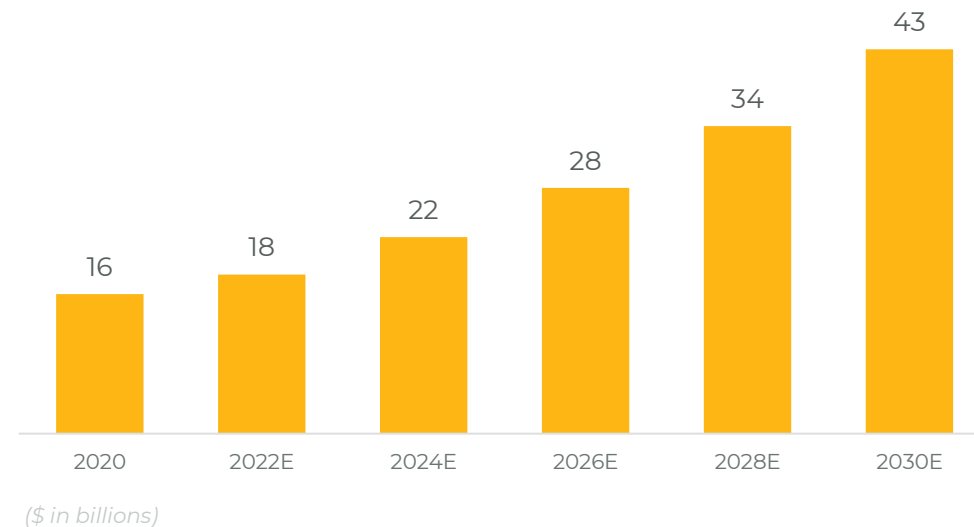
New technologies increasing marketing precision, efficiency, and sophistication

## Rise Of Martech

- Resource & Asset Management
- Lead Generation
- Social & Influencer Management
- Marketing Mix Modeling
- Communications Automation
- Data Onboarding
- Audience Activation
- Identity Resolution
- Privacy & Compliance ...

**\$43B**

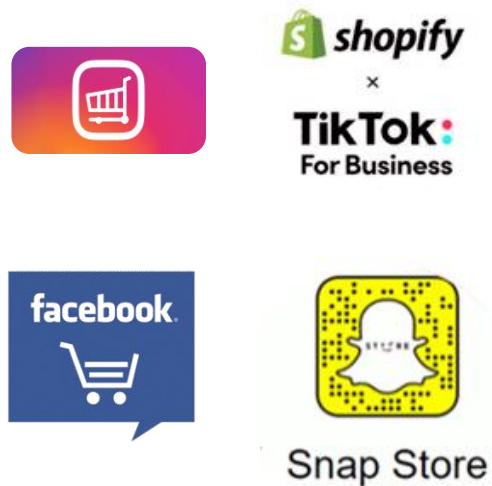
Campaign Management Software & Customer Data Platform Spend by 2030



# E-COMMERCE

E-Commerce and marketing are converging, creating new ways to purchase

## *Social Commerce*



## *Primary & Secondary Marketplaces*



## *Interactive*





# CTV

Connected devices are creating new digital formats and ways to reach targeted audiences

## Connected TV (CTV)



Smart  
TVs



Streaming  
Devices



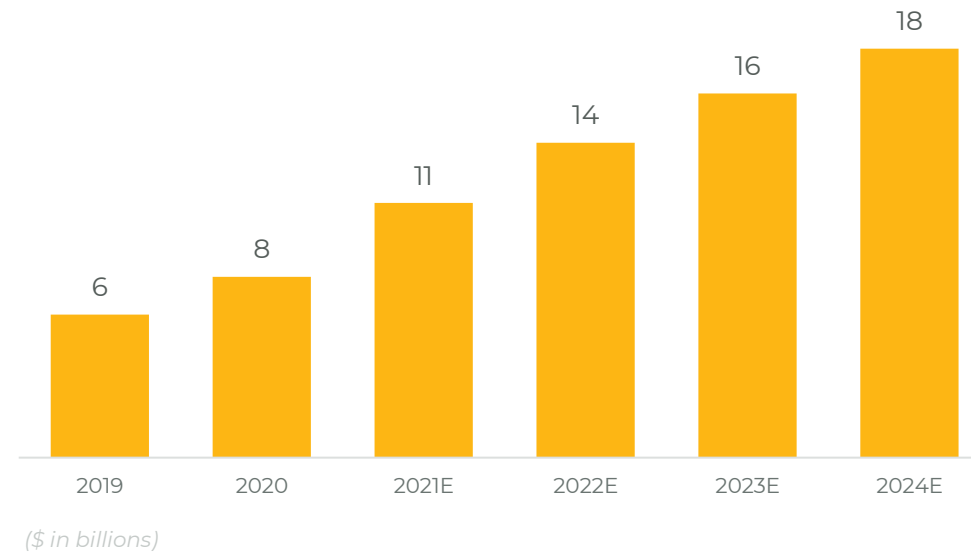
Gaming  
Consoles

amazon fire Roku

apple tv hulu YouTube

# 23%

## CAGR US CTV Ad Spend



# IN-HOUSING

CMO's are bringing lower-margin, tactical capabilities in-house, creating a digital products opportunity

**~25%** OF MARKETING BUDGETS  
WERE SPENT ON  
IN-HOUSE LABOR IN 2020

## Motivations

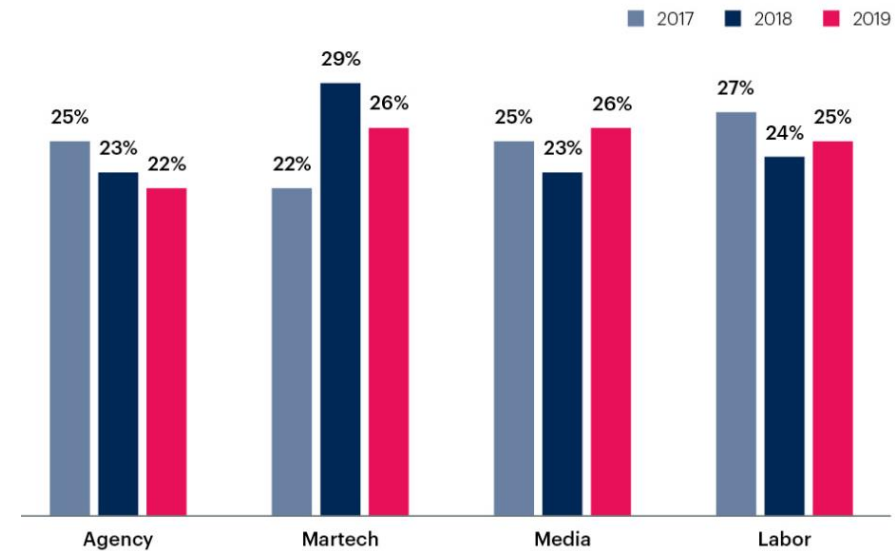
### #1 COST EFFICIENCIES

ENSURE BRAND CONSISTENCY

BRAND KNOWLEDGE

SPEED, NIMBLENESS

Marketing Budget Allocations Across Major Resources







# *Stagwell* Today





# *Integrated Platform*

## FOR THE MODERN MARKETER

1

### **Digital Transformation**

Building Digital Experiences for Clients

2

### **Performance Media & Data Capabilities**

Addressable on a Global Scale

3

### **Rigorous Consumer Insights & Strategy**

Tracking Across Consumer Journey

4

### **Extremely Strong Creativity, Communications & Strategy**

Blue-Chip Customer Base



# Key Stats

10,000  
Employees

1,000  
Engineers

\$120B+  
Addressable Market

68  
Cities

24  
Countries

~4,000  
Blue-Chip Customers

~\$2.2B  
LTM Revenue

\$383M  
LTM Adj. EBITDA

\$200M+  
Free Cash Flow



**MARK PENN**

*Chairman & CEO*

**FOUNDER & POLLSTER** Founded **Penn and Schoen** in 1975 with his Harvard roommate Doug Schoen

**GROWER** Under Penn's leadership, firm expanded to 200+ people with offices around the world

Served key **corporate** (Texaco, AT&T, Microsoft, Ford, Merck, etc.) & **political** (President Clinton's pollster for six years, advisor to Hillary Clinton & Tony Blair) clients

**SELLER** Penn & his partners sold PSB to WPP in November 2001 after growing it from a mom-and-pop political polling firm to \$80M+ in revenue

**GLOBAL CEO** Served as CEO of **Burson-Marsteller** from 2006 – 2012, running a global PR and public affairs firm with an 80+ market footprint and tripling profits

**CLIENT & CREATOR** Asked by Steve Ballmer to join **Microsoft** & revitalize Bing in 2012; rose to EVP & Chief Strategy Officer running Microsoft's \$2 billion advertising budget

**PORTFOLIO BUILDER & PUBLIC COMPANY CEO** Launched **Stagwell** Group in 2015; invested in **MDC** in 2019 & assumed role of Chairman & CEO

#### CORPORATE LEADERSHIP



**Jay Leveton**

President



**Frank Lanuto**

CFO



**Ryan Greene**

COO



**Beth Sidhu**

Chief Brand &  
Communications  
Officer



**Jason Reid**

CIO



**Ryan Linder**

CMO



**Julia Hammond**

President  
Stagwell Global



**Stephanie Howley**

CPO



**Peter McElligott**

Interim GC



**Merrill Raman**

CTO

#### BUSINESS LEADERSHIP



Ray Day  
Vice Chair



Deidre  
McGlashan  
CMO



Anas Chazi  
Affiliates



Carl Johnson  
Anomaly



James  
Townsend  
Media  
Network



Brad Simms  
GALE



Maggie Malek  
MMI Agency



John Boiler  
Constellation



Evin Shutt  
72andSunny



Marianne Malina  
CPB



David DeMuth  
Doner



Dan Gardner  
Code and Theory



Toby Southgate  
F&B

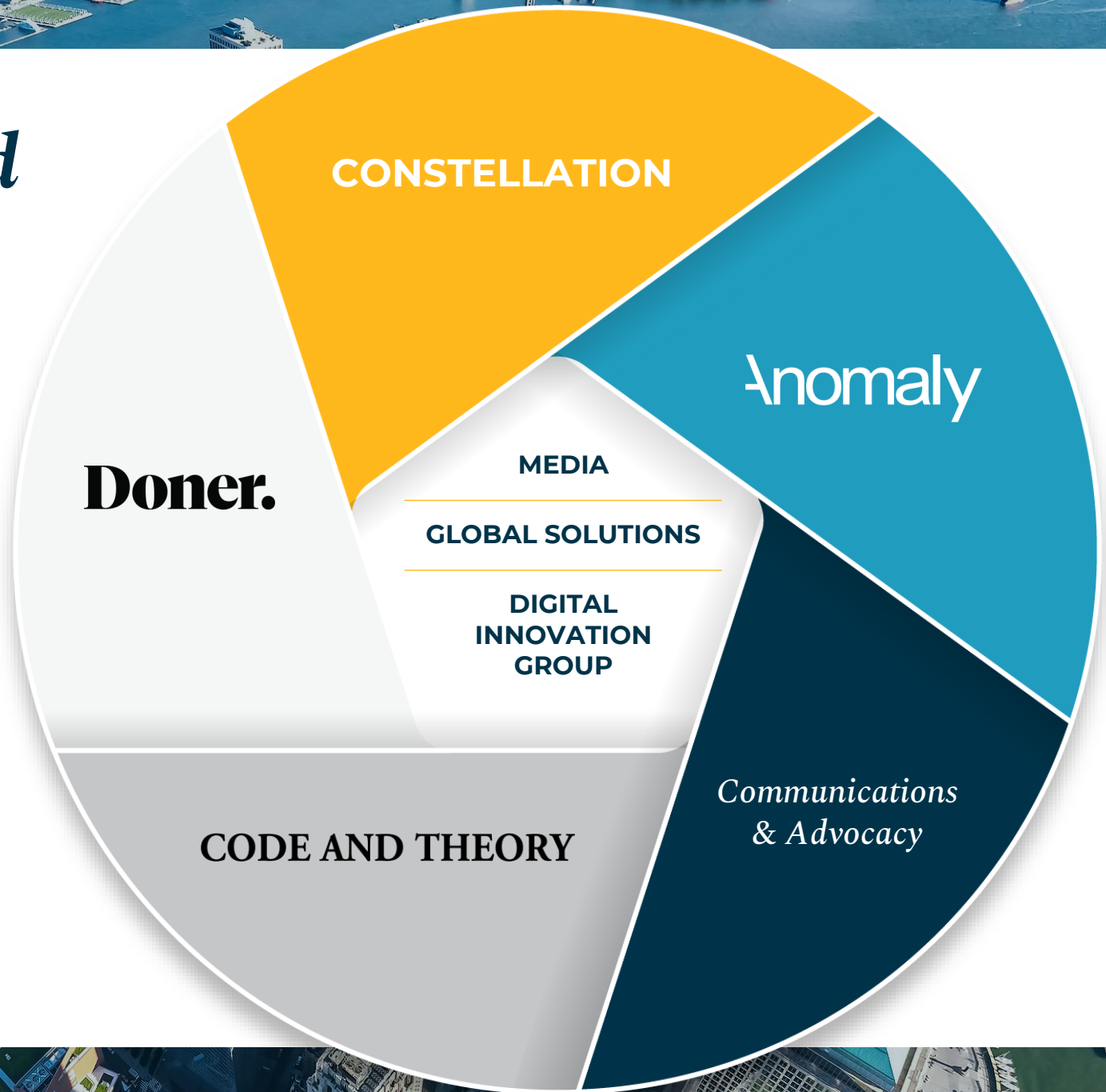


Krista Webster  
Veritas



# *One Streamlined* GO-TO-MARKET STRUCTURE

Optimized  
for Growth





# Creating

A SINGLE  
MEDIA & DATA  
MANAGEMENT  
STRUCTURE

**~\$5B** MEDIA /  
**\$335M** REVENUE /  
**\$58M** EBITDA

*New combined leadership  
under James Townsend*

## Stagwell Media Network

SMN  
FRONT  
DOORS



Global  
Omnichannel Media

GALE

Creative  
Media Consulting



Influencer  
& Innovation



B2B + SMB

SMN  
PLATFORMS

Central Buying

Multi-Lingual Media & Transcreation

Data + Tech Products

Centralized Back Office

SMN  
PARTNERS

anomaly

72andSunny

Doner.

forsman &  
bodenfords

# *The Merger* IS WORKING

**\$2,150M-\$2,180M**

Revised PF Total Revenue Growth  
Guidance from \$2,135M-\$2,180M

**\$370M-\$380M**

Revised PF Adjusted EBITDA  
Guidance from \$342M - \$357M

## Pro Forma Financial Highlights 3Q 2021

- **Net Revenue Growth**  
of 25.2% year-over year,, 14.4% vs. 3Q 2019
- **Organic Net Revenue Growth**  
of 22.8% year-over year, 27.9% excluding advocacy businesses
- **Adjusted EBITDA**  
of \$100.3M, up 12.4% year-over-year and 31.2% vs. 3Q 2019
- **Adjusted EBITDA Margin**  
of 20.1% of 3Q 2021 net revenue  
of 17.7% of 3Q 2021 total revenue
- **Digital Revenue Mix**  
48% of net revenue
- **Larger contract wins starting to materialize**  
and inclusion in larger pitch opportunities increasing



# *The Merger* IS WORKING

Beginning to  
drive larger wins



**Cue Health**, which recently went public, provides rapid, lab-quality molecular testing at home for COVID, the flu, and much more. Doner, KWT and MMI won the integrated marketing account across creative, media and public relations.



**WorldStrides**, an educational student travel company, recently awarded a win across creative, digital, PR, and strategy to an integrated team. The work is being led by Vice Chair Ray Day and includes Rhythm, KWT and Sloane.



**Amazon Kids** is looking to bring Amazon Kids+ brand positioning to life and drive consideration among parents of kids 3-12 in the US. An integrated team from Hunter is doing the positioning and creative in concert with MMI handling the full funnel media.



**SuperCuts**, the leading haircut brand, selected an integrated 72andSunny and Assembly team to create, unveil and buy all the media for their new brand platform, "It's not just any haircut, it's Supercuts."





# *The Stagwell* Plan

 Nasdaq

**STGW**  
NasdaqListed

# *Giving Stagwell* **NEW DIGS**

## **DIGITAL**

Investing behind digital businesses and leveraging competitive advantage to incubate technology products.

## **INTEGRATED**

- I. Continuing to centralize back-office services into network-wide functions in IT, HR, Real Estate, & other operations.
- II. Going to market as a single entity for more scaled integrated assignments & with newly created networks to leverage combined disciplines.

## **GLOBAL**

Creating data-powered media offering, combining CRM, offline & performance marketing and global hubs of services to compete against bloated & outmoded holding companies.

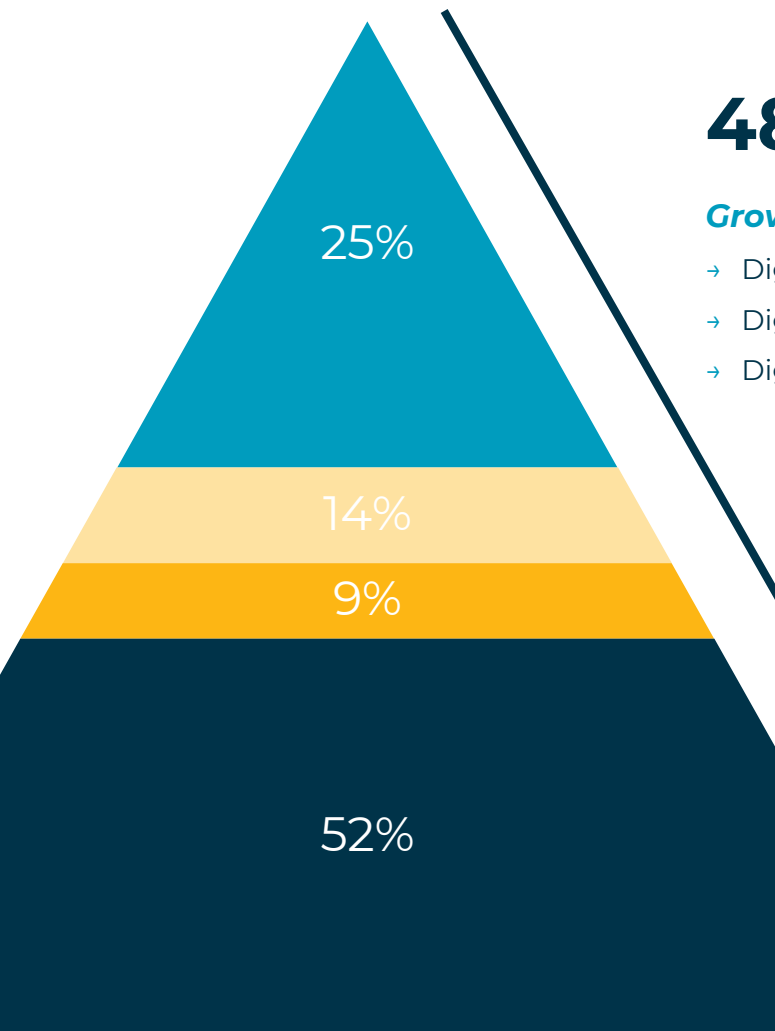
## **STRATEGIC**

Growth through a combination of organic, inorganic & "Found & Fund."

# Digital Mix TODAY

We have the scale & mix of high growth digital  
TODAY that legacy peers are slowly working towards

- 1 Digital Transformation**  
Building Digital Experiences for Clients
- 2 Performance Media & Data Capabilities**  
Addressable on a Global Scale
- 3 Rigorous Consumer Insights & Strategy**  
Tracking Across Consumer Journey
- 4 Extremely Strong Creativity, Communications & Strategy**  
Blue-Chip Customer Base



**48%** DIGITAL  
REVENUE

**Growing Blended 20%+**

- Digital Transformation,
- Digital Media & Data and
- Digital Research & Insights



# High Growth DIGITAL ENGINE

Digital Transformation, Digital Media, Online Research  
These core businesses have driven growth through pandemic

**3Q 2021**

High Growth  
Digital Mix

Vs. 3Q 2019

**37%** OF NET  
REVENUE

**+89%** NET  
REVENUE

**44%** OF ADJ.  
EBITDA

**+145%** ADJ.  
EBITDA

CODE AND THEORY

YML

INSTRUMENT

GALE



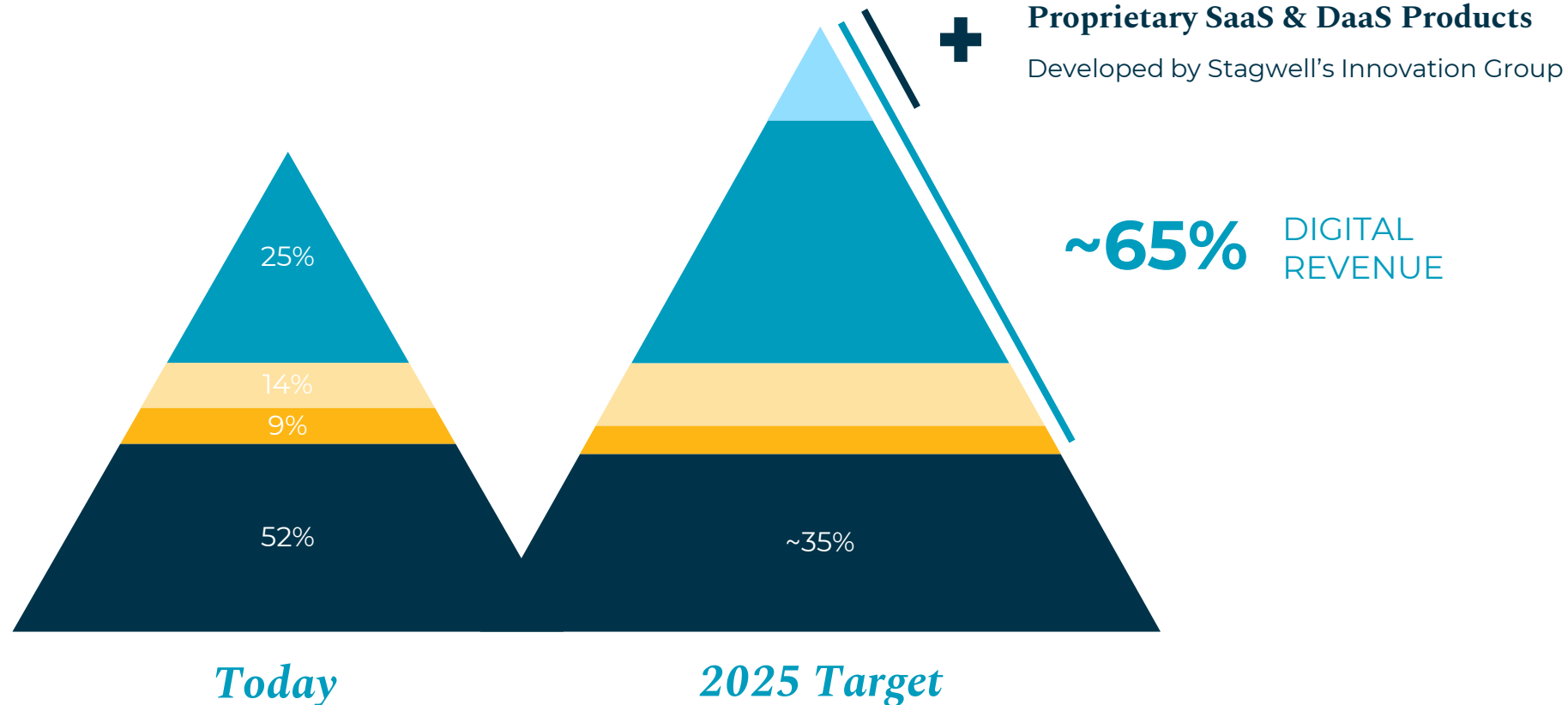
National  
Research  
Group



Targeted  
Victory

# 2025 TARGET MIX

But we are not stopping there, adding a Martech Layer of new SaaS & DaaS products & investing in our core digital platforms





# *Longer Term* MIX

Beyond 2025, Target Digital Mix of 75% as we invest behind digital transformation & scale our Martech efforts

**~80%** DIGITAL  
REVENUE

~20%

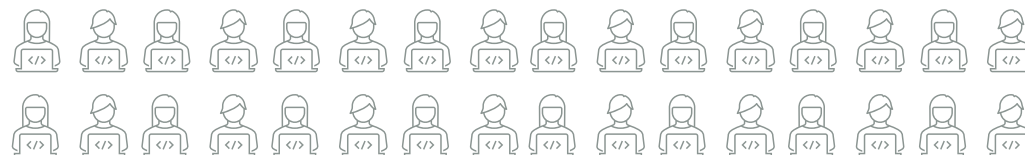
# Our SaaS & Daas ADVANTAGE

*Thousands of  
high-quality clients*



+

*1,000 in-house  
engineers*



+

*Thousands of  
marketing experts*



=

**MarTech product development at far lower cost than a start-up**



# Stagwell

## MARKETING CLOUD

~50%

of marketing budgets  
spent on in-house  
labor & Martech

Suite Of Digital Marketing Products  
Based On AI, Proprietary Data & Insights

KOOLIFYED

Influencer  
Management Platform



Audience  
Identification & Activation

PRophet

AI For  
Public Relations Pros



Augmented Reality  
Creation Platform

The Harris Poll  
Brand Platform

Modern  
Brand Management



Mobile Device  
Usage & Behavior



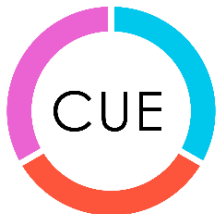
Personalized Text  
Messaging, At Scale

STAGE

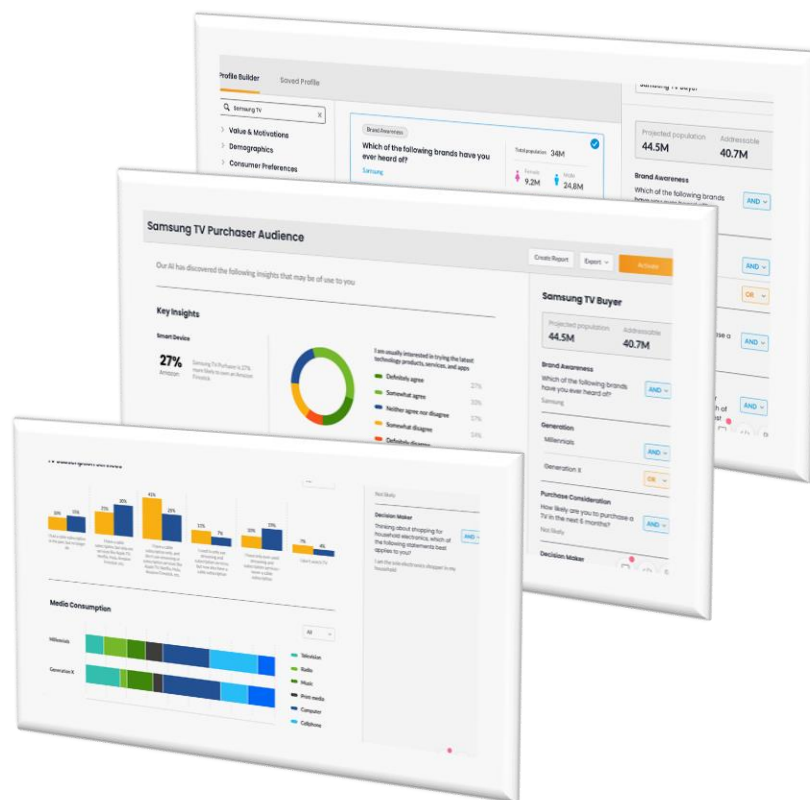
Transformational  
Media Execution

navigator  
by Ink

Traveler Targeting  
Across Channels



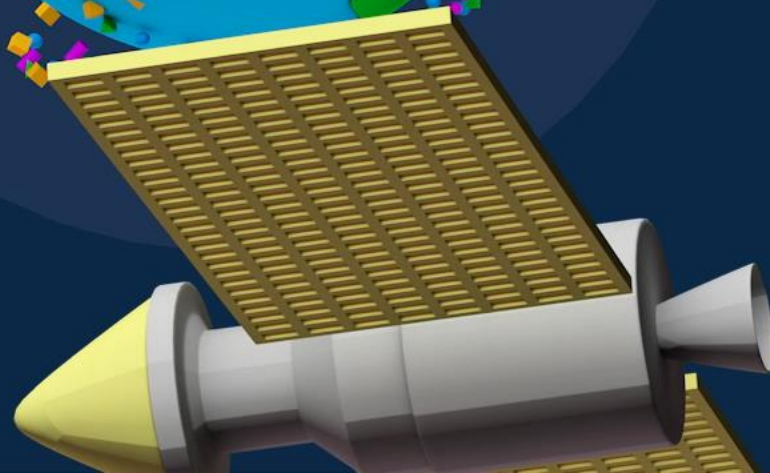
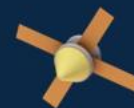
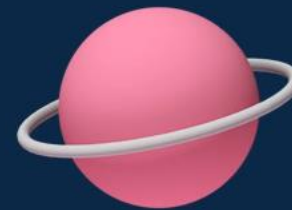
## CONSUMER UNDERSTANDING & ENGAGEMENT PLATFORM



CUE is an audience exploration application that allows a marketer to **understand the consumer** at the deepest level possible, **create segments**, test creative with audiences and **activate** these audiences in an omnichannel way.

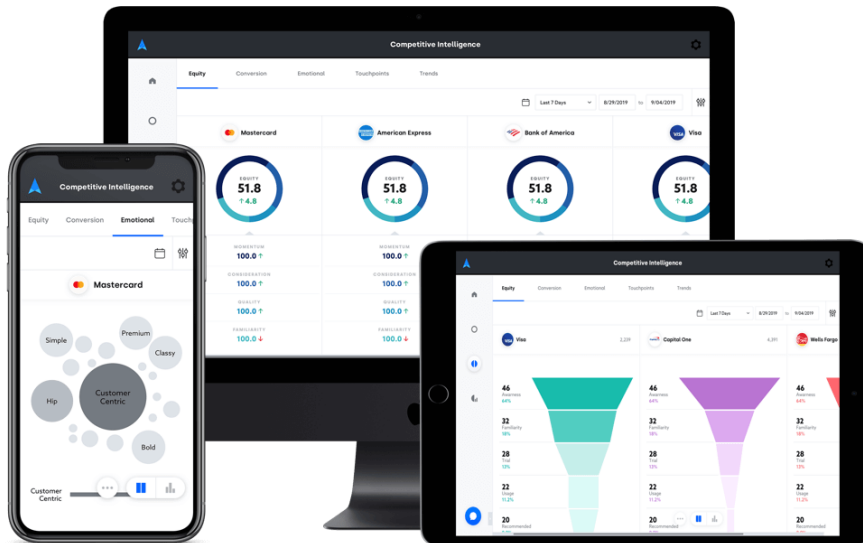
It uses a variety of attitudinal, behavioral and transactional signals to create a detailed picture of the consumer and the ecosystem they operate in.





# Harris BRAND PLATFORM

Polls thousands of people every day to provide real-time, global intelligence on brands and consumers



## *Brand Intelligence*

Delivers curated data on the most important brand, media, campaign, and purchase funnel metrics to continuously evaluate performance and drive strategic decisions.

## *Consumer Intelligence / Data Filters*

Measures consumers on brand/category usage, media consumption, psychographics, demographics, hobbies and interests, and more to inspire better creative and enable more intelligent targeting and media buying.

## *Customization*

Collect data not captured in the syndicated study:

- On Demand custom flash polls
- Add custom questions/measures to tracking study
- Bespoke Filters / Segmentation Attributes

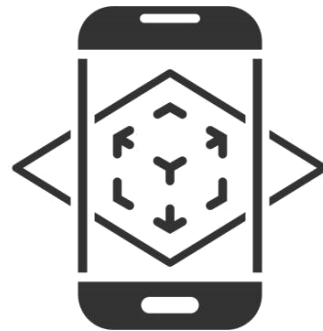


# *New* **FRONTIERS**

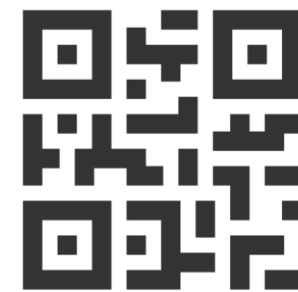
NFTS



AUGMENTED  
REALITY

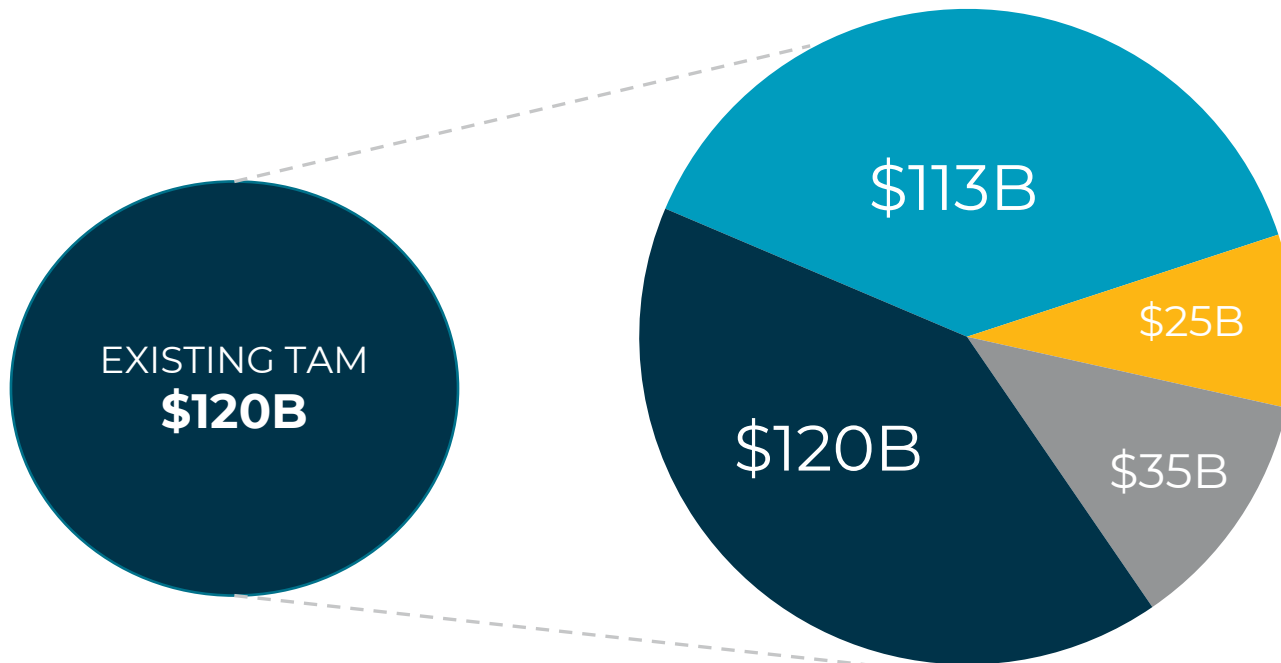


QR CODES



# Expanding OUR TAM

Stagwell Marketing Cloud  
Spans Large, Rapidly Expanding TAMs



## **\$293B** EXPANDED TAM

### *Marketing Data*

Data generated across the different touchpoints involved in the consumer's path to purchase

### *Campaign Martech*

Specifically marketing campaign automation software and customer data platforms

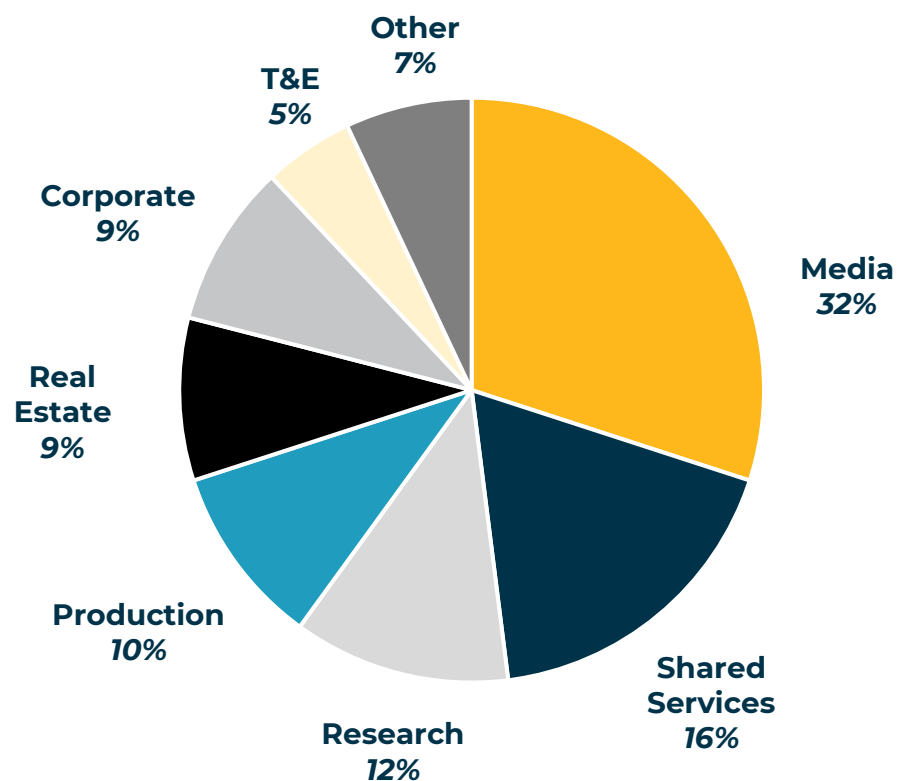
### *AR & VR Applications*

Consumer, Enterprise, & Public sector use-cases which will fuel an emerging advertising ecosystem



## SHARED SERVICES & SYNERGIES

Targeting \$30 Million Cost Savings



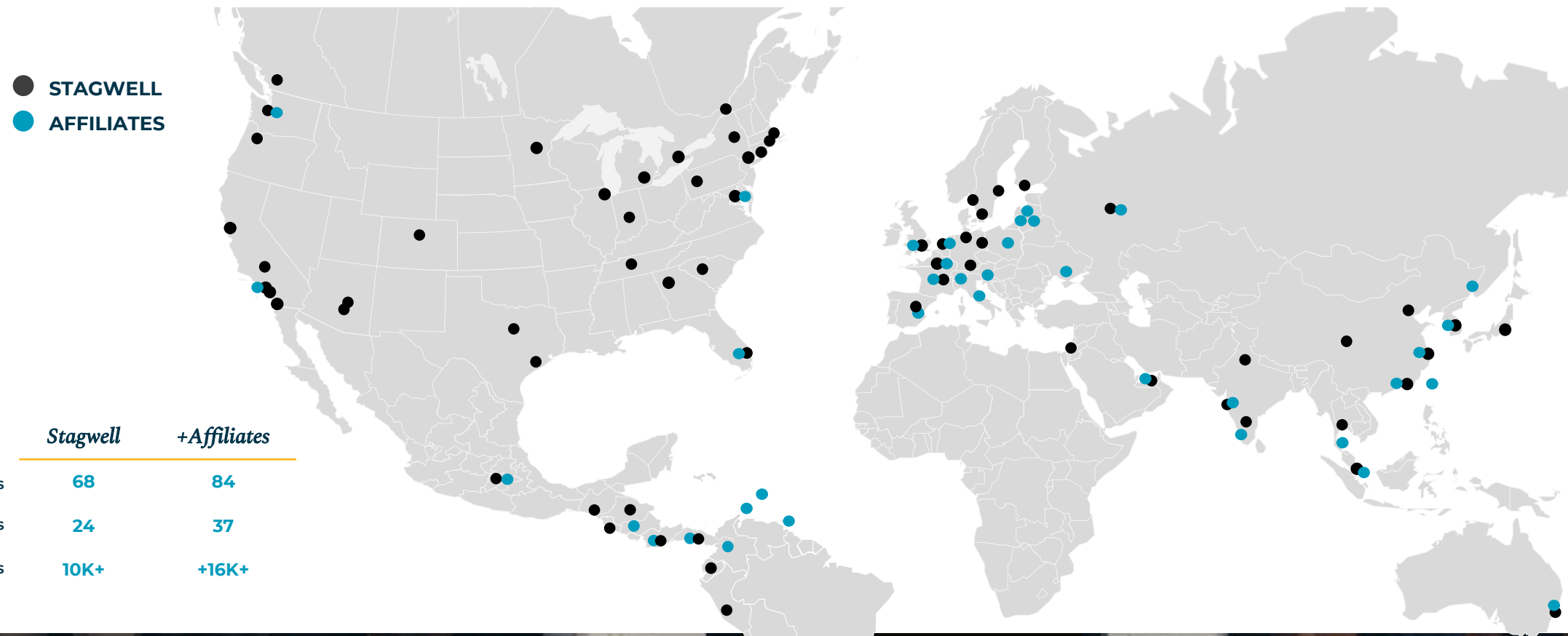
~ **\$30M**

### *Targeted Annualized Cost Synergies*

- ~55%** Targeted To Be Realized by Year 1
- ~90%** Targeted To Be Realized by Year 2
- 100%** Targeted To Be Realized by Year 3

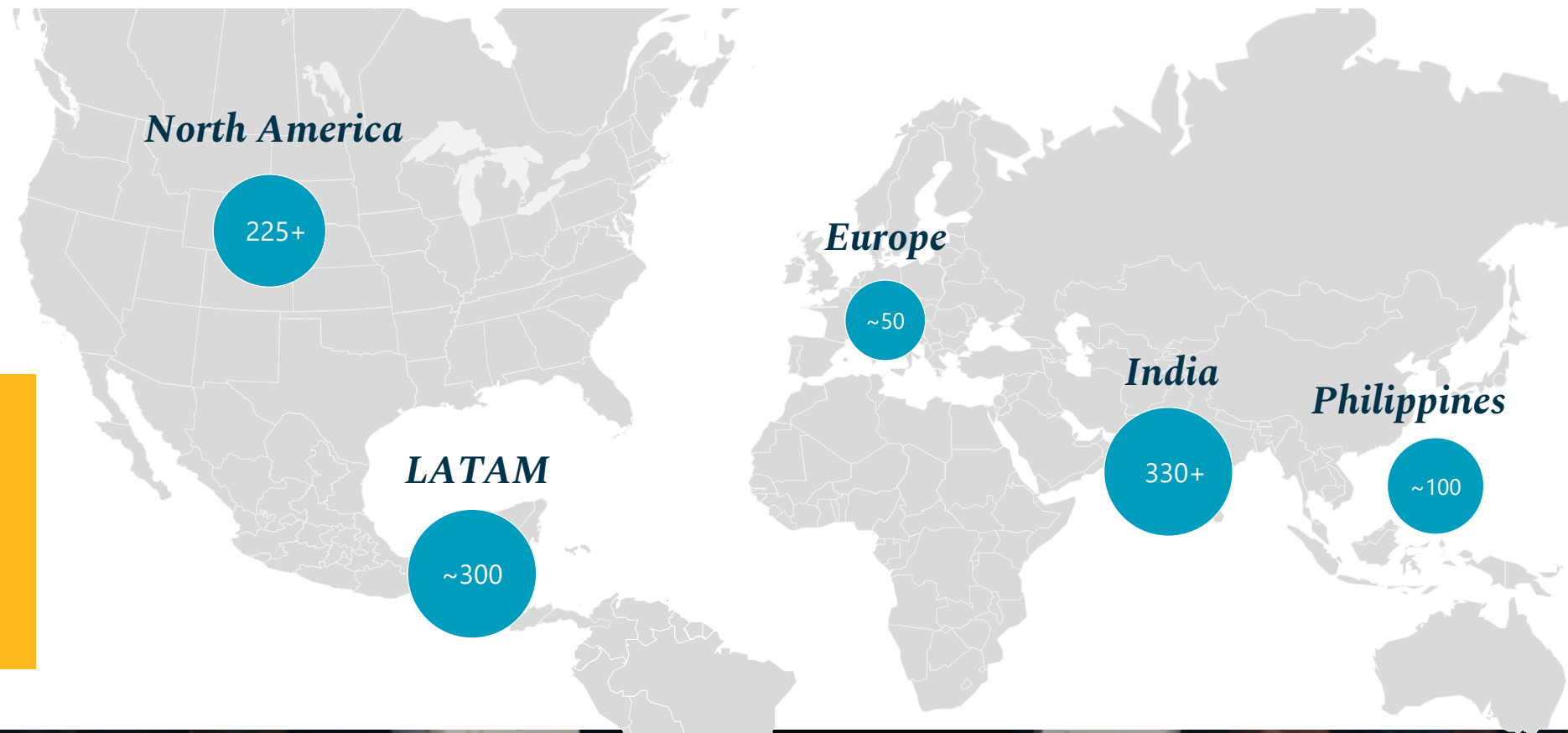
# Expanding OUR GLOBAL NETWORK

- Targeting 50 Affiliates
- Expanded offering for large, multi-regional pitches with no capital investment



# *Scaling* GLOBAL DEVELOPMENT

Building a consistent global development practice with 24/7 “follow the sun” delivery



## EXPANDING

upon North American base with lower cost global engineering hubs



# *Media Business Plan* FOR WINNING GLOBAL



- Win additional paired media and creative contracts in the US
- Compete for media-only global contracts with our affiliate scale
- Continue digital-led fast growth in Middle East and Asia
- Improve relationships with flagship creative agencies
- Capitalize on digital transformation in the B2B media space where there is little to no competition
- Lead the return of the travel market with digital OOH assets
- Unified leadership team with shared incentives

# *Strategic* VALUE-ADDED GROWTH PLATFORM

***Unified, engaged corporate team***  
providing essential centralized  
services to drive both cost &  
revenue synergies

***Incentives to collaborate***  
and drive overall network growth



# Adding IT ALL UP

OPPORTUNITY  
TO GROW TO  
\$3.4 BILLION+  
AND BEYOND

OF TARGET GAAP REVENUE IN 2025  
THROUGH COMBINATION OF ORGANIC,  
NEW REVENUE STREAMS & ACQUISITIONS

RAISING LONG TERM  
ORGANIC GROWTH EXPECTATIONS

## Potential Equation for Success\* (\$M)

7-9% Organic Growth >\$2,900

+ Stagwell Marketing Cloud ~\$75

+ M&A Growth \$450

= TARGET GOAL **\$3,400+**





# *Investing in* the future of marketing



High-  
Growth  
Digital



Proven  
Leadership  
Team



Strong &  
Expanding  
Margins



Industry-  
leading  
Growth



Value  
Creation  
Platform



Moving  
Into Larger  
Markets