



**STAGWELL**

TRANSFORMING MARKETING

*Investor Presentation*

MARCH | 2023

# DISCLAIMER

## **Forward-Looking Statements**

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Company’s representatives may also make forward-looking statements orally or in writing from time to time. Statements that are not historical facts, including, but not limited to, statements about the Company’s beliefs and expectations, future financial performance, growth targets, market opportunity and future prospects, business and economic trends, potential acquisitions, and estimates of amounts for redeemable noncontrolling interests and deferred acquisition consideration, constitute forward-looking statements. Forward-looking statements, which are generally denoted by words such as “anticipate,” “assume,” “believe,” “continue,” “could,” “create,” “estimate,” “expect,” “focus,” “forecast,” “foresee,” “future,” “guidance,” “intend,” “look,” “may,” “opportunity,” “outlook,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” or the negative of such terms or other variations thereof and terms of similar substance used in connection with any discussion of current plans, estimates and projections, are subject to change based on a number of factors, including those outlined in this section.

Forward-looking statements in this presentation are based on certain key expectations and assumptions made by the Company. Although the management of the Company believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. The material assumptions upon which such forward-looking statements are based include, among others, assumptions with respect to general business, economic and market conditions, the competitive environment, anticipated and unanticipated tax consequences and anticipated and unanticipated costs.

These forward-looking 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. 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. 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.

# DISCLAIMER

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;
- the continued impact of the coronavirus pandemic (“COVID-19”), and evolving strains of COVID-19 on the economy and demand for the Company’s services, which may precipitate or exacerbate other risks and uncertainties;
- inflation and actions taken by central banks to counter inflation;
- the Company’s ability to attract new clients and retain existing clients;
- the impact of a 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 compete in the markets in which it operates;
- the Company’s ability to achieve its 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 Company’s ability to manage its growth effectively, including the successful completion and integration of acquisitions that complement and expand the Company’s business capabilities;
- the Company’s ability to develop products incorporating new technologies, including augmented reality, artificial intelligence, and virtual reality, and realize benefits from such products;
- an inability to realize expected benefits of the combination of the Company’s business with the business of MDC Partners Inc. (“MDC”);
- adverse tax consequences in connection with the combination of MDC and Stagwell Marketing Group LLC and its direct and indirect subsidiaries (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 Company’s unremediated material weaknesses in internal control over financial reporting and its ability to establish and maintain an effective system of internal control over financial reporting;
- the Company’s ability to protect client data from security incidents or cyberattacks;
- economic disruptions resulting from war and other geopolitical tensions (such as the ongoing military conflict between Russia and Ukraine), terrorist activities and natural disasters;
- stock price volatility; and
- foreign currency fluctuations.

Investors should carefully consider these risk factors and the additional risk factors outlined in more detail in the Company’s filings with the SEC, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

# DISCLAIMER

## **Combined Financial Information and Non-GAAP Financial Measures**

This presentation includes certain unaudited combined financial information for Stagwell and MDC that gives effect to the Transactions as if they had been consummated on January 1, 2021. These unaudited combined results were prepared by combining the historical standalone statements of operations for each of Stagwell and MDC, are presented for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or consolidated financial condition would have been if the Transactions had occurred on such date, 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. Such unaudited combined financial information is identified in this presentation as “combined” financial information.

In addition to its reported results, Stagwell Inc. has included in this presentation certain financial results that the 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:

(1) “Organic revenue growth” and “organic revenue decline” refer to the positive or negative results, respectively, of subtracting both the foreign exchange and acquisition (disposition) components from total 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 Brands that the Company has held throughout each of the comparable periods presented, and (b) “Net acquisitions (divestitures).” Net acquisitions (divestitures) 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 the same prior year 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.

(2) Adjusted EBITDA: defined as Net income (loss) attributable to Stagwell Inc. common shareholders excluding non-operating income or expense to achieve operating income (loss), 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.

(3) Free Cash Flow: defined as Adjusted EBITDA less cash interest paid, capital expenditures and software spend, minority interest distributions, cash taxes paid and changes in working capital.

Included in this presentation are tables reconciling reported Stagwell Inc. results to arrive at certain of these non-GAAP financial measures.

## **Market and Industry Data**

This presentation also contains estimates and other statistical data made by third parties and by Stagwell relating to market size and growth and other industry data. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Stagwell has not independently verified the statistical and other industry data generated by third parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. These and other factors could cause results or outcomes to differ materially from those expressed in the estimates made by such third parties and by Stagwell.

## **Trademarks**

This presentation contains trademarks, service marks, trade names and copyrights of Stagwell and other companies, which are the property of their respective owners.

# WHAT WE ARE *Building*

**“Stagwell is a holistic, technology-first, enterprise services company** owing to its combination of ad agency creative skills and information technology skills. STGW differentiates itself in the marketplace through its integration of technology and data with creative ad solutions to drive market share growth.”



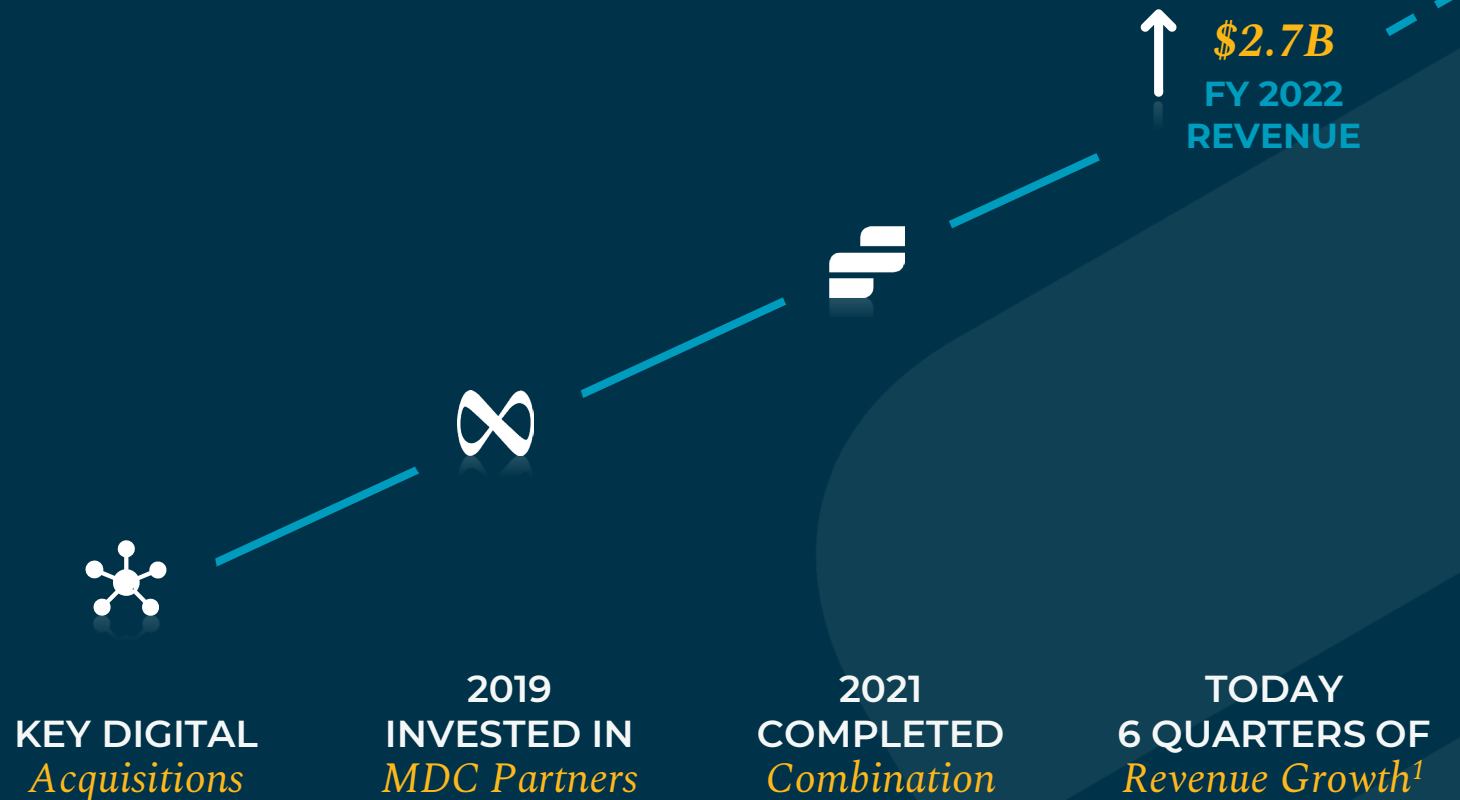
*Mark Penn*  
CHAIRMAN & CEO

# THE STAGWELL *Story*

Stagwell started in late 2015 with a vision for a new digital-first marketing company, powered by an experienced leader and an investment from Steve Ballmer



## FROM ZERO to **MARKET HERO**



<sup>1</sup> Q3 2021 through Q4 2022

# WE HAVE *Achieved*

---

## FOURTH QUARTER & FULL YEAR 2022 HIGHLIGHTS

### **Robust** *Growth*

**15% FY 2022 NET REVENUE GROWTH, 14% ORGANIC**

Digital capabilities, accounting for 57% of FY 2022 net revenue, grew 28%

### **EXPANDING** *Internationally*

**GROWING TWICE AS FAST INTERNATIONALLY VS. DOMESTIC**

26% FY 2022 net revenue growth internationally, 14% in North America

Launched regional hubs in Singapore and Brazil

### **STRONG** *Margins* & *EPS*

**\$451M FY 2022 ADJ. EBITDA, A 20.3% NET REVENUE MARGIN**

~\$270M in FY 2022 FCF, with net leverage of 2.17x at year end

\$0.90 FY 2022 adjusted diluted EPS

### **STRATEGIC** *M&A*

**CLOSED 8 ACQUISITIONS IN 2022**

BNG adds AI-driven e-commerce capabilities internationally

Maru and Epicenter add DaaS + analytics platforms to the Stagwell Marketing Cloud



# THE FUTURE *Is Promising*

---

1 **LARGE  
MARKET**  
*Opportunity*

With approximately 2% market share<sup>1</sup>, we have built a track record of competing & winning against market leaders to gain share

---

2 **TIED TO  
HIGH GROWTH**  
*Digital Services*

Our mix of services is overwhelmingly digital, overweight in the high-growth areas of digital transformation and digital media

---

3 **TECHNOLOGY**  
*Innovation*

Launched the Stagwell Marketing Cloud, building a suite of SaaS and DaaS tools for self-service marketers & developing new AI and Augmented Reality media platforms

---

4 **PRUDENT  
FINANCIAL**  
*Management*

Company leadership with a proven track record of prudently balancing growth and bottom-line management

1. Market share represents Stagwell's 2021 revenue as a percentage of the estimated \$130B in 2021 revenue at the Top 25 global marketing services companies according to *AdAge Agency Report 2022*.

# ON THE FRONTIER OF MARKETING

## Bringing Together AI & AR Across Marketing Services with Global Network of 1,500+ Engineers

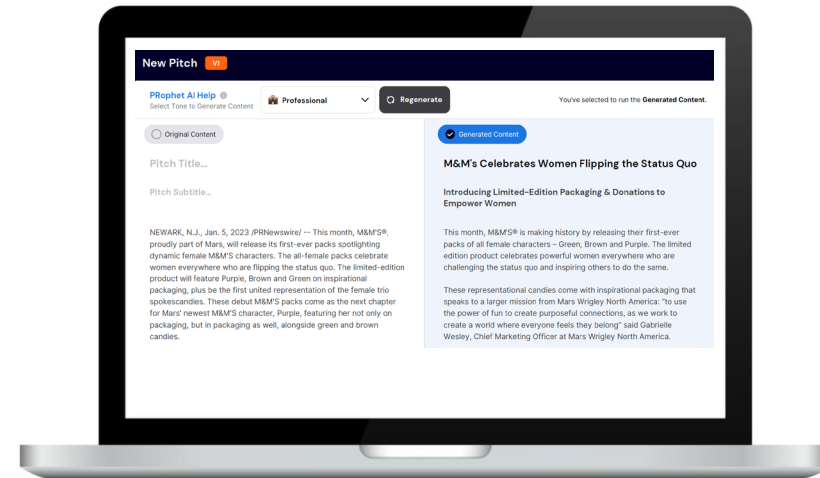
### AUGMENTED REALITY

Shared AR product ARound is bringing **premium and interactive brand-sponsored AR experiences** to live sports at scale



### GENERATIVE AI

Comms Tech AI product PRophet is launching **generative AI for pitches, press releases, and social posts** powered by its ability to target relevant journalists







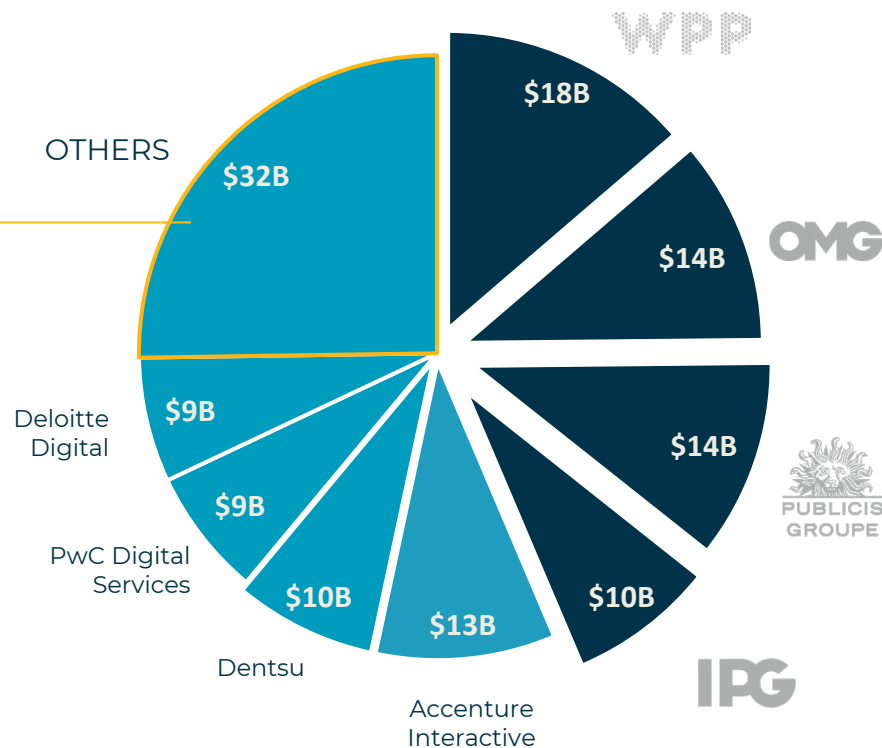
# *Market* Opportunity



# THE ADVERTISING MARKET IS RIPE FOR DISRUPTION

**\$2B+**  
**STAGWELL**

Consulting companies  
have begun to take share,  
but we believe they lack  
essential creative talent to  
compete across all services



~ **\$60B**

spent with the  
top 4 legacy holding  
companies<sup>1</sup>

~ **\$130B**

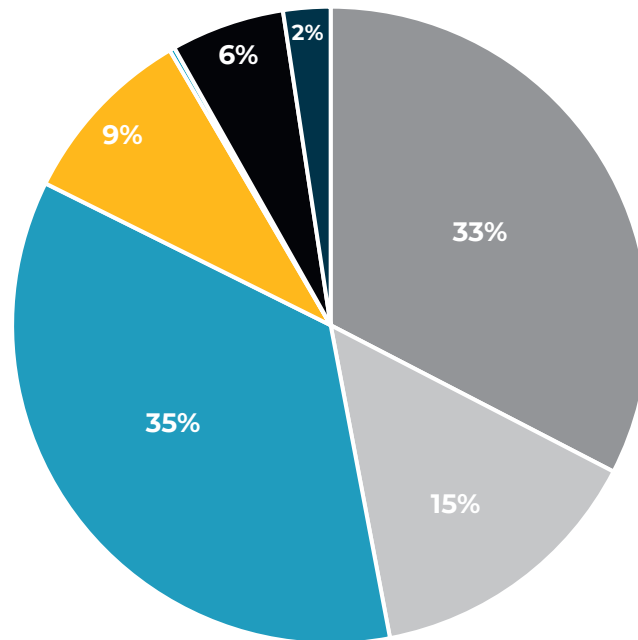
spent on advertising  
& marketing services  
with the Top 25 industry  
providers in 2021

<sup>1</sup> Top 4 legacy holding companies: WPP, Omnicom, Publicis, IPG in 2021  
Source: Company filings and AdAge Agency Report, 2022

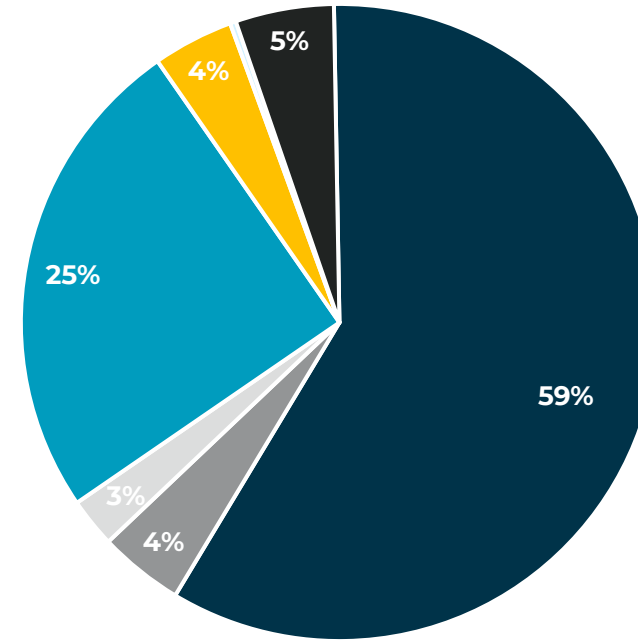
# DIGITAL MEDIA IS DISRUPTING MARKETING

*The new marketplace creates new opportunities*

**GLOBAL AD SPENDING 2000**



**GLOBAL AD SPENDING 2021<sup>1</sup>**



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

(1) Figures are advertising expenditure estimates for 2021  
Source: Zenith research

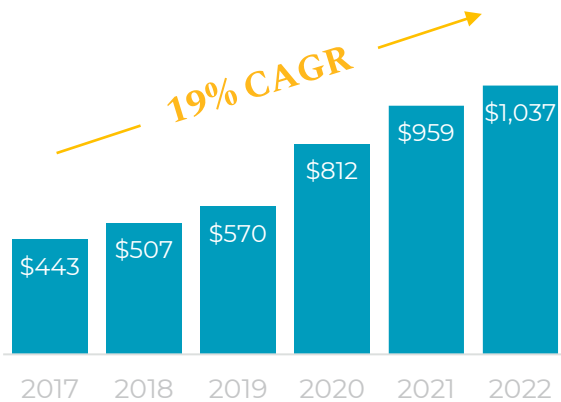
# DIGITAL MARKETING CONTINUES TO GROW RAPIDLY

*Double digit growth in e-commerce, digital marketing services, & CTV*

## E-Commerce

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

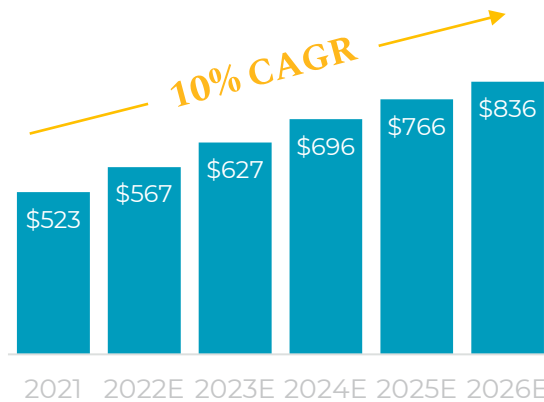
US E-Commerce sales (\$ billions)



## Digital Marketing

Services enabling influencers & global performance marketing

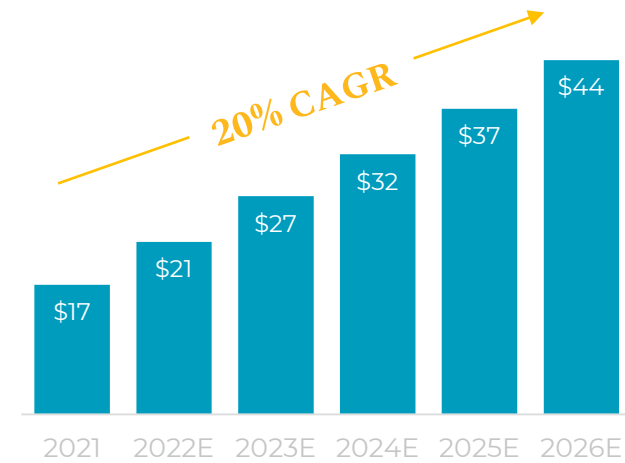
Worldwide digital ad spend (\$ in billions)



## Connected TV

New ways of reaching consumers through devices connected to the internet

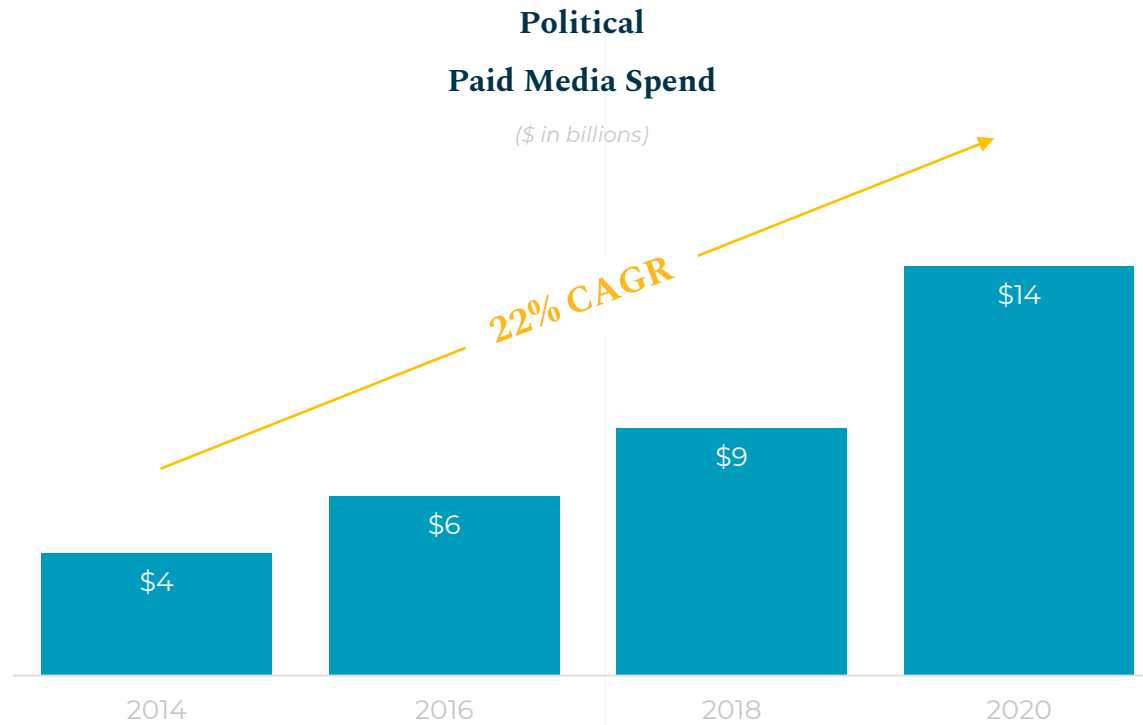
US CTV Advertising Spend (\$ in billions)





# POLITICAL & ADVOCACY GROWING RAPIDLY

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







# *Stagwell* Today



# Key Stats

12,000+  
Employees

1,500+  
Engineers

\$130B+  
Addressable Market

34  
Countries

75  
Affiliates

4,000+  
Blue-Chip Customers

~\$2.7B  
2022 GAAP Revenue

\$451M  
2022 Adj. EBITDA

~\$270M  
2022 Free Cash Flow



# *Integrated Platform*

## FOR THE MODERN MARKETER

1

### **Digital Transformation**

Building Digital Platforms & Consumer Experiences

2

### **Performance Media & Data**

Integrated Omnichannel Media, Data & E-Commerce

3

### **Consumer Insights & Strategy**

Tracking Across the Consumer Journey

4

### **Creativity & Communications**

Blue-Chip Customer Base



## Cutting-Edge Digital Transformation

### CODE AND THEORY

#### THE MAGIC WALL

*Design an experience that brings election results to life.*

On election night, CNN needs a way to show huge amounts of quickly changing information simply, beautifully.

Working collaboratively with CNN, Code and Theory reimagined the look, feel and core feature set of the iconic Magic Wall. We built an entire country's worth of custom maps and developed a suite of new capabilities designed around anticipated storylines. A new information hierarchy made previously complex information much more digestible to the audience.



## Powerful Collaboration Between Technology & Creativity

### CODE AND THEORY + Doner.

#### DISPLACE *Johnson & Johnson*'S AGENCY OF 65 YEARS

Beat over 10 major agencies including teams from WPP, Omnicom, IPG, and Accenture

From the start, Doner and Code and Theory built a cross-consultancy core team with clear roles and responsibilities. A critical piece in Doner / Code's success was the mutual understanding of each agency's strengths in relation to J&J's request:

#### **Doner.**

- Brand Strategy
- Creative
- Agile Production

#### **CODE AND THEORY**

- Digital Strategy
- Audience Segmentation & Insights
- Analytics

## Data & Insights Shaping The Digital Future



#### OTT CONTENT STRATEGY

A client for 40+ years, NRG works with Disney across all their business units.

As Disney looks for its next major area of growth, it challenged NRG to help them develop a content strategy for OTT. With so many content choices, what do you put on Disney+ (and when) to continue to drive subscriptions?

NRG is currently supporting Disney+ on a major global content strategy study to help them identify the types of content they should be developing with a goal of appealing to new audiences yet fitting current brand image.



**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.

**ADVISOR** 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



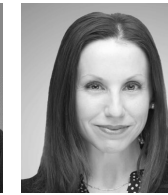
**Beth Sidhu**  
Chief Brand & Communications Officer



**Jason Reid**  
CIO



**Ryan Linder**  
CMO



**Julia Hammond**  
President  
Stagwell Global



**Stephanie Howley**  
CPO



**Peter McElligott**  
General Counsel



**Merrill Raman**  
CTO



**Ray Day**  
Vice Chair

**BUSINESS LEADERSHIP**



**Deidre McClashan**  
CMO



**Anas Ghazi**  
Affiliates



**Carl Johnson**  
Anomaly



**James Townsend**  
Brand Performance Network



**Brad Simms**  
GALE



**Maggie Malek**  
MMI Agency



**Justin Lewis**  
Constellation



**Evin Shutt**  
72andSunny



**Marianne Malina**  
CPB



**David DeMuth**  
Doner



**Dan Gardner**  
Code and Theory



**Toby Southgate**  
F&B



**Krista Webster**  
Veritas



**Kara Place**  
Instrument





 STAGWELL



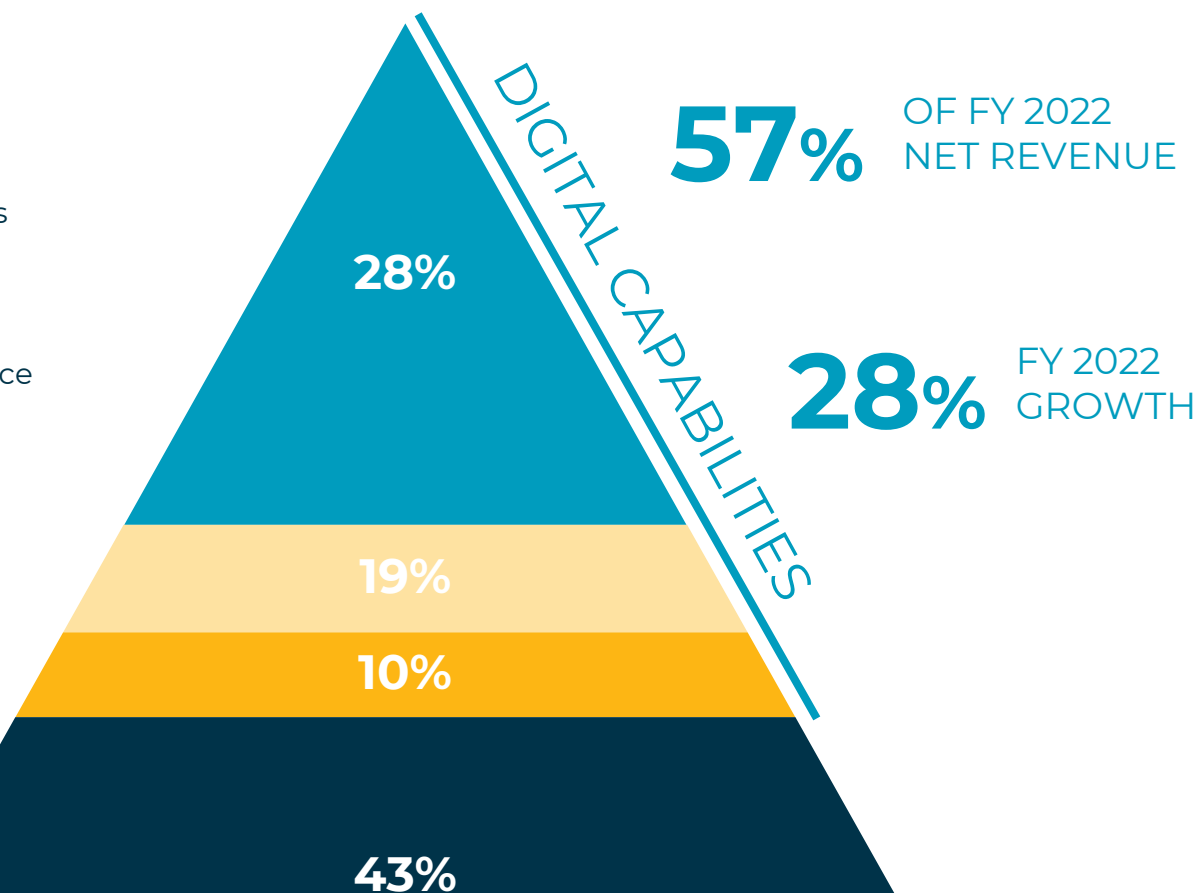
# *The Stagwell* Plan

# DIGITAL MIX

## Today

We have the mix of high-growth digital today that we believe legacy peers are slowly working towards

- 1 Digital Transformation**  
Building Digital Platforms & Consumer Experiences
- 2 Performance Media & Data Capabilities**  
Integrated Omnichannel Media, Data & E-Commerce
- 3 Rigorous Consumer Insights & Strategy**  
Tracking Across Consumer Journey
- 4 Extremely Strong Creativity, Communications & Strategy**  
Blue-Chip Customer Base

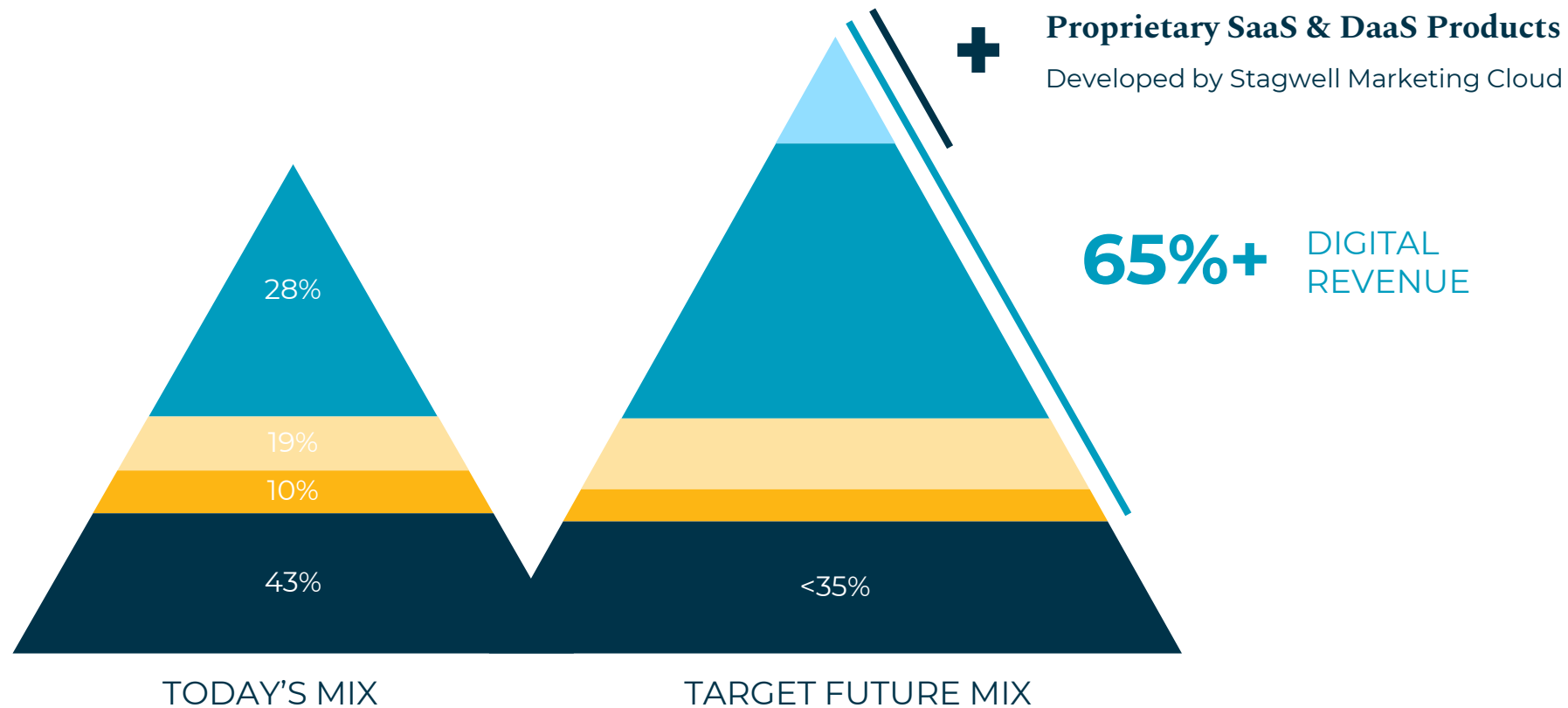


Note: % of Net Revenue based on FY 2022 results.

# TARGET

## *Net Revenue Mix*

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



# BLUE-CHIP *Client Base*

Growing average client size through larger,  
integrated wins and expansion across new services

Communications Media & Entertainment	Retail	Food & Beverage	Consumer Products	Technology	Automotive	Financial Services	Healthcare
							
							
							
							
							
							



**BRAND  
PERFORMANCE  
NETWORK**  
*is working*

~\$670M

FY 2022 NET REVENUE

+18%

FY 2022 ORGANIC  
NET REVENUE GROWTH

**CREATIVE CONSULTING**

**GALE**

OBSERVATORY

**forsman&bodenfors**

**VITRO**

Crispin  
Porter  
Bogusky®

**OMNICHANNEL MEDIA**

**+ASSEMBLY**

**Locaria**

**Ink**

**GOODSTUFF**  
MEDIA @ SOME

**mml**

**Grason**

**MULTIVIEW**

**CONNECTED COMMERCE**

**BRAND NEW GALAXY**

# EXPANDING *Our Global Network*

Stagwell's Global Affiliate Network significantly expands our global footprint

## North America

- Canada
- USA
- Mexico

## Europe

- Austria
- Belgium
- Bulgaria
- Italy
- Latvia
- Romania
- Slovak Republic
- Slovenia
- Switzerland
- Turkey
- Ukraine
- France
- Germany
- Netherlands
- Poland
- Spain
- Sweden
- United Kingdom

## Asia Pacific

- Australia
- China
- Hong Kong
- India
- Indonesia
- Japan
- Malaysia
- Philippines
- Taiwan
- Thailand
- Singapore
- South Korea

## Latin America

- Argentina
- Aruba
- Bolivia
- Brazil
- Curacao
- Colombia
- Costa Rica
- Dominican Republic
- Ecuador
- El Salvador
- Guatemala
- Honduras
- Jamaica
- Nicaragua
- Panama
- Peru
- Uruguay
- Venezuela

## Middle East & Africa

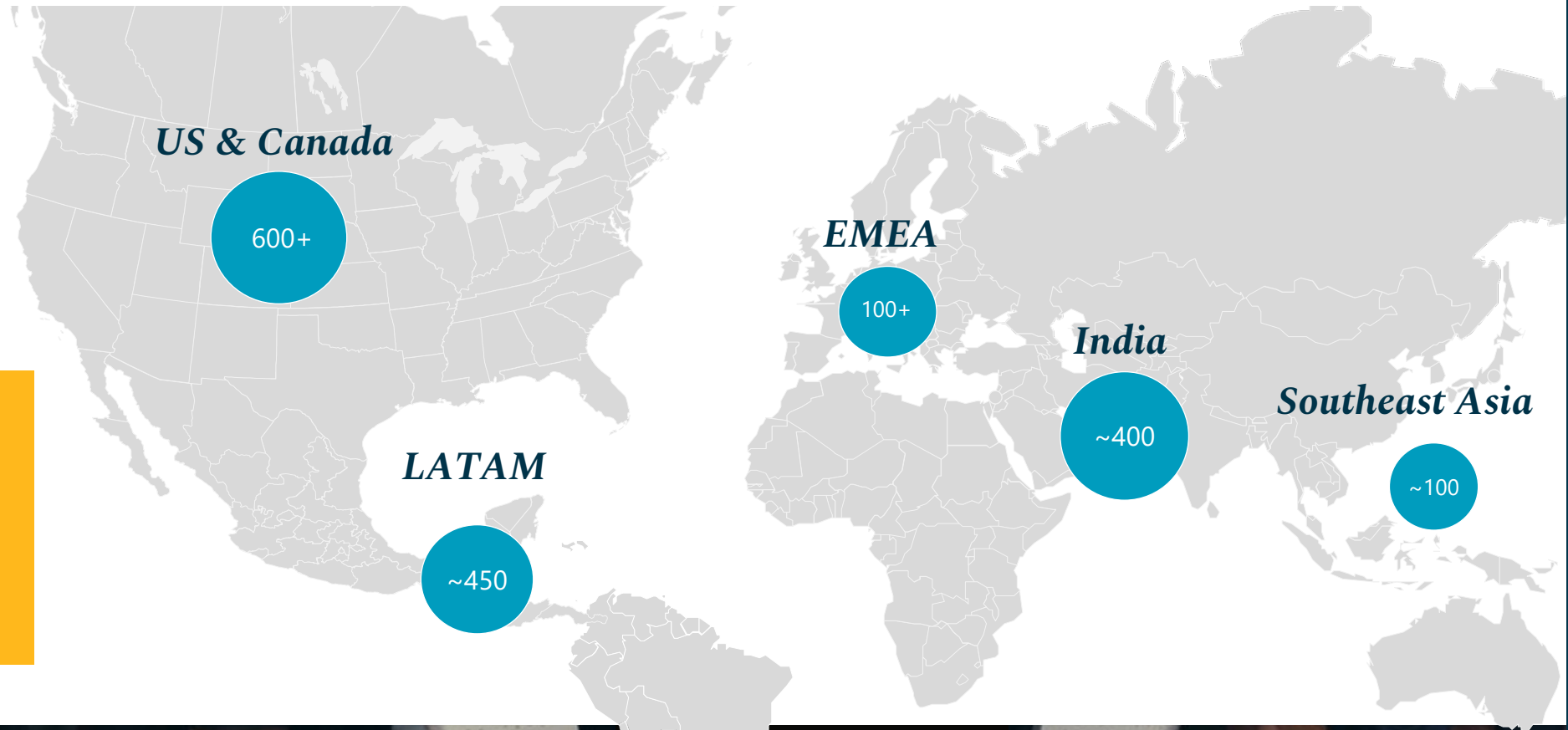
- Algeria
- Bahrain
- Egypt
- Jordan
- Kuwait
- Lebanon
- Libya
- Morocco
- Nigeria
- Oman
- Saudi Arabia
- South Africa
- Tunisia
- United Arab Emirates

	Stagwell	+Affiliates
<b>COUNTRIES</b>	<b>34</b>	<b>65</b>
<b>EMPLOYEES</b>	<b>12K+</b>	<b>21K+</b>

Note: As of 12/31/22

# SCALING *Global Engineering*

Building a global development practice effectively leveraging lower-cost markets



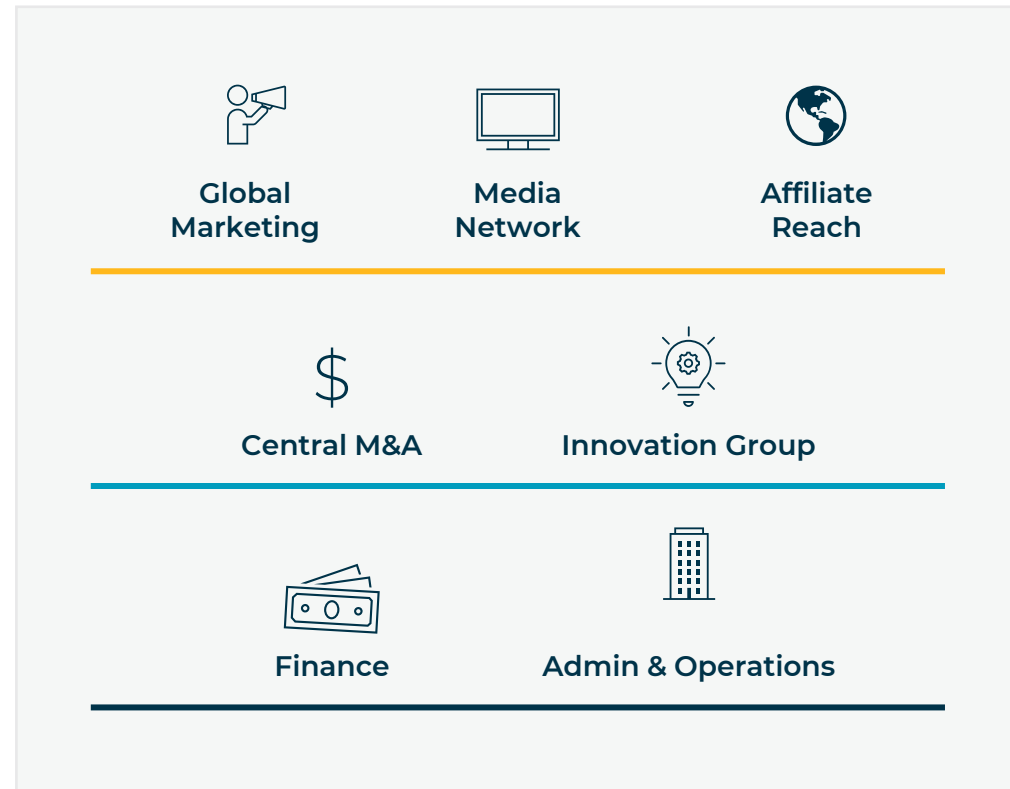
## EXPANDING

upon North American base with lower-cost global engineering hubs

# STRATEGIC VALUE-ADDED *Investment Platform*

Unified & engaged corporate team delivering value-added shared services driving both revenue & cost synergies

Incentives to collaborate and drive overall network growth



*Client  
Services*

*Growth  
Investment*

*Shared  
Services*

# STAGWELL MARKETING CLOUD

*SaaS & DaaS tools for the in-house marketer*



## SMC Comms Tech

KOALIFYED PRophet

## SMC Media Studio

CUE SCENE THE PEOPLE PLATFORM STAGE

## SMC Real-Time Research

The Harris Poll maru/

## SMC New Media Platforms

WONDER CAVE Peer-to-Peer Testing Solutions around navigator reach tv MULTIVIEW QR Code

## SMC Data & AI Marketplace





## AUGMENTED REALITY *Product Spotlight*

*“Stadium-size AR games  
could transform live sports”*

- VRScout

### THE NEXT GENERATION OF STADIUM ENTERTAINMENT AND FAN ENGAGEMENT

ARound is bringing a whole new level of fan engagement to the sports and entertainment world with shared augmented reality.

By 3D mapping stadiums and delivering localized, interactive content through smartphones, ARound creates a shared digital experience for all fans.







**PRophet**

# GENERATIVE AI *Product Spotlight*

## PROPHET IS A PIONEERING GENERATIVE AND PREDICTIVE AI SAAS PLATFORM DESIGNED BY AND FOR THE PR COMMUNITY.

The platform uses AI to help modern PR professionals predict, produce, and perform by generating, analyzing and testing content that predicts earned media interest and sentiment.

- 2019 STGW "Shark Tank" Winner
- Built for brands and agencies

**New Pitch** VI

PRophet AI Help ⓘ  
Select Tone to Generate Content

Professional

Regenerate

You've selected to run the **Generated Content**

Original Content

**Generated Content**

Pitch Title...

Pitch Subtitle...

NEWARK, N.J., Jan. 5, 2023 /PRNewswire/ -- This month, M&M'S®, proudly part of Mars, will release its first-ever packs spotlighting dynamic female M&M'S characters. The all-female packs celebrate women everywhere who are flipping the status quo. The limited-edition product will feature Purple, Brown and Green on inspirational packaging, plus be the first united representation of the female trio spokescandies. These debut M&M'S packs come as the next chapter for Mars' newest M&M'S character, Purple, featuring her not only on packaging, but in packaging as well, alongside green and brown candies.

"The M&M'S brand is on a mission to use the power of fun to create purposeful connections, as we work to create a world where everyone feels they belong," said Gabrielle Wesley, Chief Marketing Officer, Mars Wrigley North America. "Women all over the world are flipping how they define success and happiness while challenging the status quo, so we're thrilled to be able to recognize and celebrate them – and who better to help us on that mission than our own powerhouse spokescandies Green, Brown and Purple?"

In celebration of the limited-edition packs, M&M'S is supporting

**M&M's Celebrates Women Flipping the Status Quo**

**Introducing Limited-Edition Packaging & Donations to Empower Women**

This month, M&M'S® is making history by releasing their first-ever packs of all female characters – Green, Brown and Purple. The limited edition product celebrates powerful women everywhere who are challenging the status quo and inspiring others to do the same.

These representational candies come with inspirational packaging that speaks to a larger mission from Mars Wrigley North America: "to use the power of fun to create purposeful connections, as we work to create a world where everyone feels they belong" said Gabrielle Wesley, Chief Marketing Officer at Mars Wrigley North America.

The launch also comes with financial support for organizations dedicated to uplifting and empowering women in their fields. \$500K will be donated from every pack sold and an additional \$300K will go towards Female Founder Collective, Geena Davis Institute On Gender In Media and individual grants for those flipping the status quo. From January 5th - 15th you can visit MMS.com to nominate someone deserving who could receive a \$10k grant on International Women's Day.

# ADDING *it all up*

OPPORTUNITY  
TO GROW TO  
\$4 BILLION+  
AND BEYOND

OF GAAP REVENUE THROUGH  
COMBINATION OF ORGANIC, NEW  
REVENUE STREAMS & ACQUISITIONS

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

10-12% long-term organic growth target driven by:

▶ 10-20% Digital	
▶ 5-15% Performance Media & Data	~\$3,500
▶ 3-7% Creativity & Communications	
+ Stagwell Marketing Cloud	~\$75
+ M&A Growth	\$450

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**= TOTAL** **\$4,000+**





# *Financial* Highlights

# WE HAVE OUR FINANCIAL HOUSE *In Order*



## Refinanced Bonds in 2021 with \$1.1B in financing

- › Fixed interest rate of 5.625% in rising interest rate environment
- › ~7 years to maturity in 2029, providing financial flexibility



Secured \$500M  
Revolving Credit  
**Facility** with  
flexible terms,  
5-year maturity



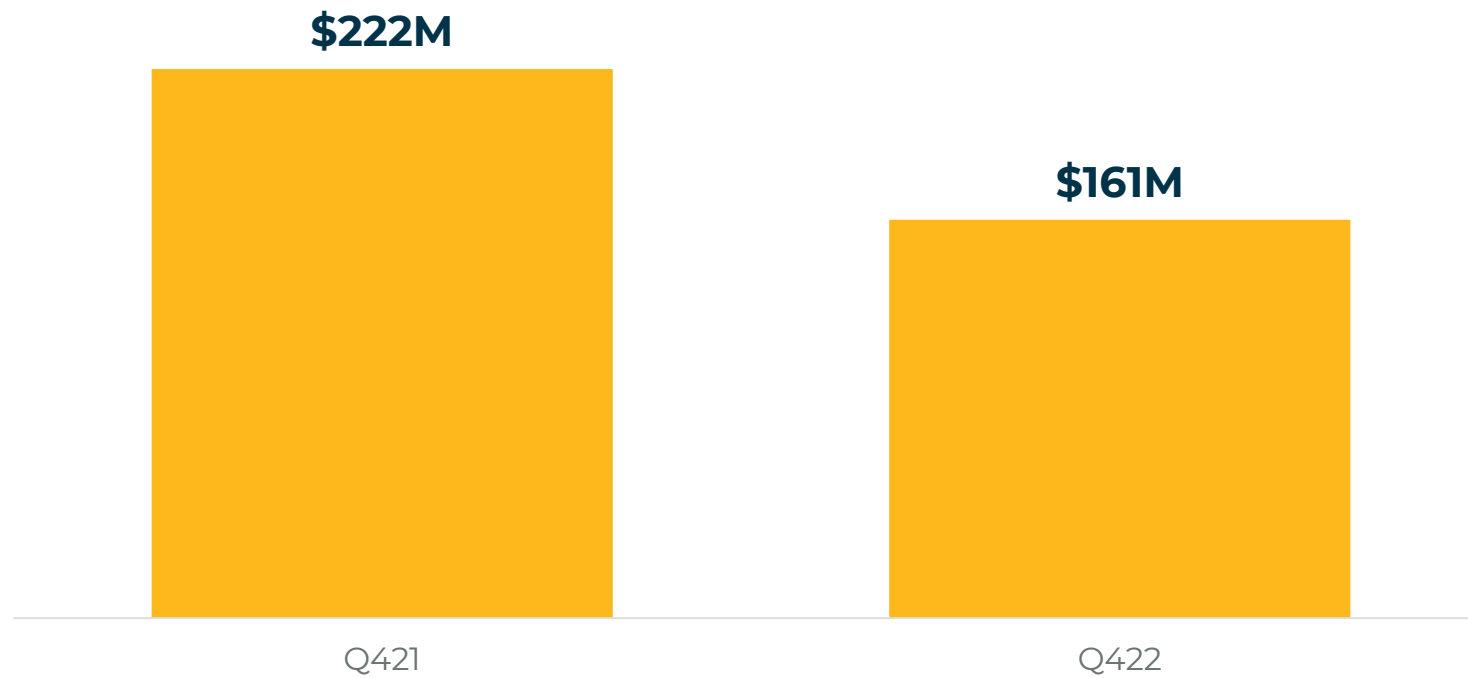
Strong track record  
of controlling costs  
with a highly  
variable cost  
structure



Returning capital  
to shareholders  
with \$52M in  
share repurchases  
through the twelve  
months ended  
December 31, 2022

# MAINTAINING DISCIPLINE AROUND *Deferred Acquisition Costs*

REDUCED DAC BY \$61M  
FROM 2021 YEAR-END BALANCE



# PRO FORMA Capital Structure

## Net Debt & Debt-Like (\$M, as of 12/31/22)

Revolving Credit Facility	\$ 100
Bonds	1,100
NCI <sup>1</sup>	34
DAC	161
RNCI <sup>2</sup>	60
Less: Investments <sup>3</sup>	18
Less: Cash	221
<b>TOTAL NET DEBT &amp; DEBT-LIKE</b>	<b>\$ 1,217</b>

## Pro Forma Share Count (Thousands, as of 2/28/23)

Class A <sup>4</sup>	131,614
Class C <sup>5</sup> (equal voting & economic rights to Class A)	160,909
Share-based awards <sup>6</sup>	4,868
<b>PRO FORMA DILUTED</b>	<b>297,391</b>

Note: Pro Forma share count assumes full conversion of Class C shares to Class A on a one-to-one basis. Numbers may not foot due to rounding.

1. Excludes \$478M in non-controlling interest of Stagwell Class C shareholders to reflect NCI balance pro forma for full conversion of Class C shares to Class A. 2. Includes redeemable non-controlling interest and obligations in connection with profit interests held by employees. 3. Non-consolidated investments. 4. Includes issued and outstanding Class A shares (including unvested restricted stock) and 2,271 Class B shares which have equal economic rights and 20x voting rights to Class A shares. Note: Stagwell Agency Holdings, which is a fully owned subsidiary of Stagwell Media, owns 26.5M of the Class A shares related to its investment in Legacy MDC Partners in 2019, of which the common portion was converted to Stagwell Inc. Class A shares upon the closing of the Transactions in August 2021 and preferred portion converted to Stagwell Inc. Class A shares in September 2021. 5. Class C shares are held by Stagwell Media, the parent company of Stagwell Agency Holdings, issued in August 2021 as consideration for the contribution of its assets to the Transactions. 6. Represents unvested restricted share units.

# Appendix

# GAAP CONSOLIDATED OPERATING PERFORMANCE

	<i>Three Months Ended December 31,</i>		<i>Twelve Months Ended December 31,</i>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<i>\$ and Shares in Thousands</i>				
<b>Revenue</b>	<b>\$ 708,185</b>	<b>\$ 611,927</b>	<b>\$ 2,687,792</b>	<b>\$ 1,469,363</b>
Cost of services	419,811	348,000	1,673,576	906,856
Office & general expenses	172,415	197,318	601,536	424,038
Depreciation & amortization	35,631	31,381	131,273	77,503
Impairment & other losses	94,145	1,314	122,179	16,240
<b>Total operating expenses</b>	<b>\$ 722,002</b>	<b>\$ 578,013</b>	<b>\$ 2,528,564</b>	<b>\$ 1,424,637</b>
<b>Operating income (Loss)</b>	<b>\$ (13,817)</b>	<b>\$ 33,914</b>	<b>\$ 159,228</b>	<b>\$ 44,726</b>
Interest expense, net	(19,510)	(16,697)	(76,062)	(31,894)
Foreign exchange, net	1,557	(1,377)	(2,606)	(3,332)
Other, net	(7,241)	3,252	(7,059)	50,058
<b>Other income (expenses)</b>	<b>\$ (25,194)</b>	<b>\$ (14,822)</b>	<b>\$ (85,727)</b>	<b>\$ 14,832</b>
Income tax expense (benefit)	(12,570)	14,193	7,580	23,398
<b>Income (loss) before equity in earnings of non-consolidated affiliates</b>	<b>\$ (26,441)</b>	<b>\$ 4,899</b>	<b>\$ 65,921</b>	<b>\$ 36,160</b>
Equity in income (loss) of non-consolidated affiliates	(1,132)	(165)	(79)	(240)
<b>Net income (loss)</b>	<b>\$ (27,573)</b>	<b>\$ 4,734</b>	<b>\$ 65,842</b>	<b>\$ 35,920</b>
Net income (loss) attributable to non-controlling & redeemable non-controlling interests	21,095	(3,897)	(38,573)	(14,884)
<b>Net income (loss) attributable to Stagwell Inc. common shareholders</b>	<b>\$ (6,478)</b>	<b>\$ 837</b>	<b>\$ 27,269</b>	<b>\$ 21,036</b>
<b>Earnings Per Share</b>				
Basic	\$ (0.05)	\$ 0.01	\$ 0.22	\$ (0.04)
Diluted	\$ (0.05)	\$ 0.01	\$ 0.17	\$ (0.04)
<b>Weighted Average Number of Shares Outstanding</b>				
Basic	122,927	99,615	124,262	90,426
Diluted	122,927	104,066	296,596	90,426

# RECONCILIATION OF GAAP NET INCOME TO ADJ. EBITDA & FCF

*Full Year Ended December 31,*

<i>\$ in Thousands</i>	<b>2022</b>	<b>2021</b>
<b>Net Income</b>	<b>\$ 65,842</b>	<b>35,920</b>
Net income attributable to noncontrolling & redeemable noncontrolling interests	(38,573)	(14,884)
Net income attributable to Stagwell Inc. common shareholders	27,269	21,036
Non-operating items <sup>(1)</sup>	131,959	23,690
Operating income	159,228	44,726
Depreciation and amortization	131,273	77,503
Impairment and other losses	122,179	16,240
Stock-based compensation	33,152	75,032
Deferred acquisition consideration	(13,405)	18,721
Other items, net	18,691	21,430
<b>Adjusted EBITDA</b>	<b>\$ 451,118</b>	<b>\$ 253,652</b>
Cash interest paid	(70,935)	
Capital expenditures and software spend <sup>(2)</sup>	(34,912)	
Minority interest distributions	(13,408)	
Cash taxes paid	(72,064)	
Changes in working capital	9,867	
<b>Free Cash Flow</b>	<b>\$ 269,646</b>	

# RECONCILIATION OF COMBINED NET REVENUE GROWTH TO COMBINED ORGANIC NET REVENUE GROWTH

	<i>Net Revenue - Year Ended December 31, 2021</i>	<b>COMPONENTS OF CHANGE</b>				<b>CHANGE</b>		
		<i>Foreign Currency</i>	<i>Net Acquisitions (Divestitures)</i>	<i>Organic</i>	<i>Total Change</i>	<i>Net Revenue - Year Ended December 31, 2022</i>	<i>Organic</i>	<i>Total</i>
<b>Integrated Agencies Network</b>	\$ 1,142,636	\$ (8,327)	\$ 2,838	\$ 110,221	\$ 104,732	\$ 1,247,368	9.6 %	9.2 %
<b>Brand Performance Network</b>	543,376	(12,305)	38,434	98,377	124,506	667,882	18.1 %	22.9 %
<b>Communications Network</b>	214,829	(970)	2,682	70,400	72,112	286,941	32.8 %	33.6 %
<b>All Other</b>	25,973	(835)	(4,633)	(543)	(6,011)	19,962	(2.1)%	(23.1)%
<b>Total</b>	<b>\$ 1,926,814</b>	<b>\$ (22,437)</b>	<b>\$ 39,321</b>	<b>\$ 278,455</b>	<b>\$ 295,339</b>	<b>\$ 2,222,153</b>	<b>14.5 %</b>	<b>15.3 %</b>



Thank You