

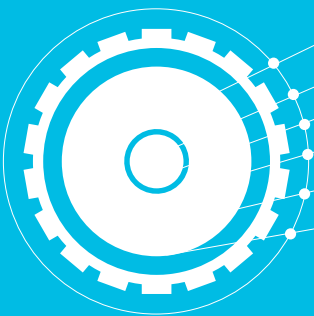
Here We **Grow** Again


'12



WHO WE ARE

**We're a leading  
global provider  
of brand delivery  
services.**





**Using proprietary technology, an extensive supplier network and deep domain expertise, we procure and deliver marketing materials and campaigns as part of a comprehensive outsourced solution.**



## Delivering Growth

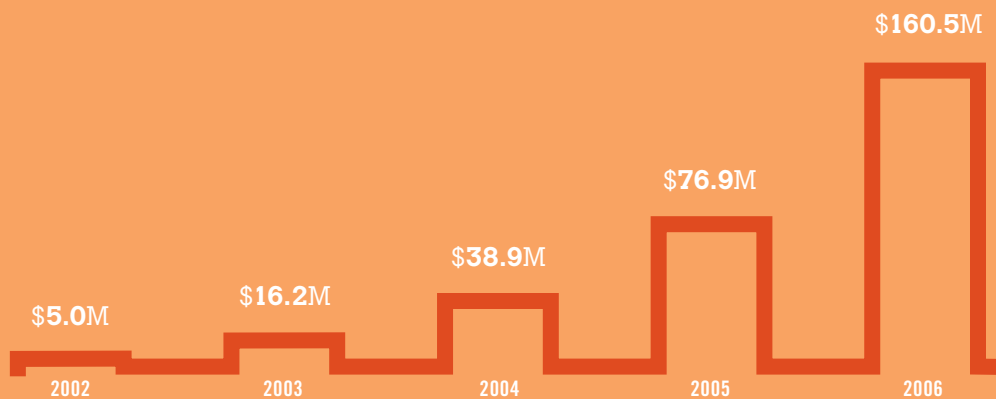
InnerWorkings has increased its revenue from \$5M in 2002 to \$798M in 2012, representing a compounded annual growth rate of 66%.

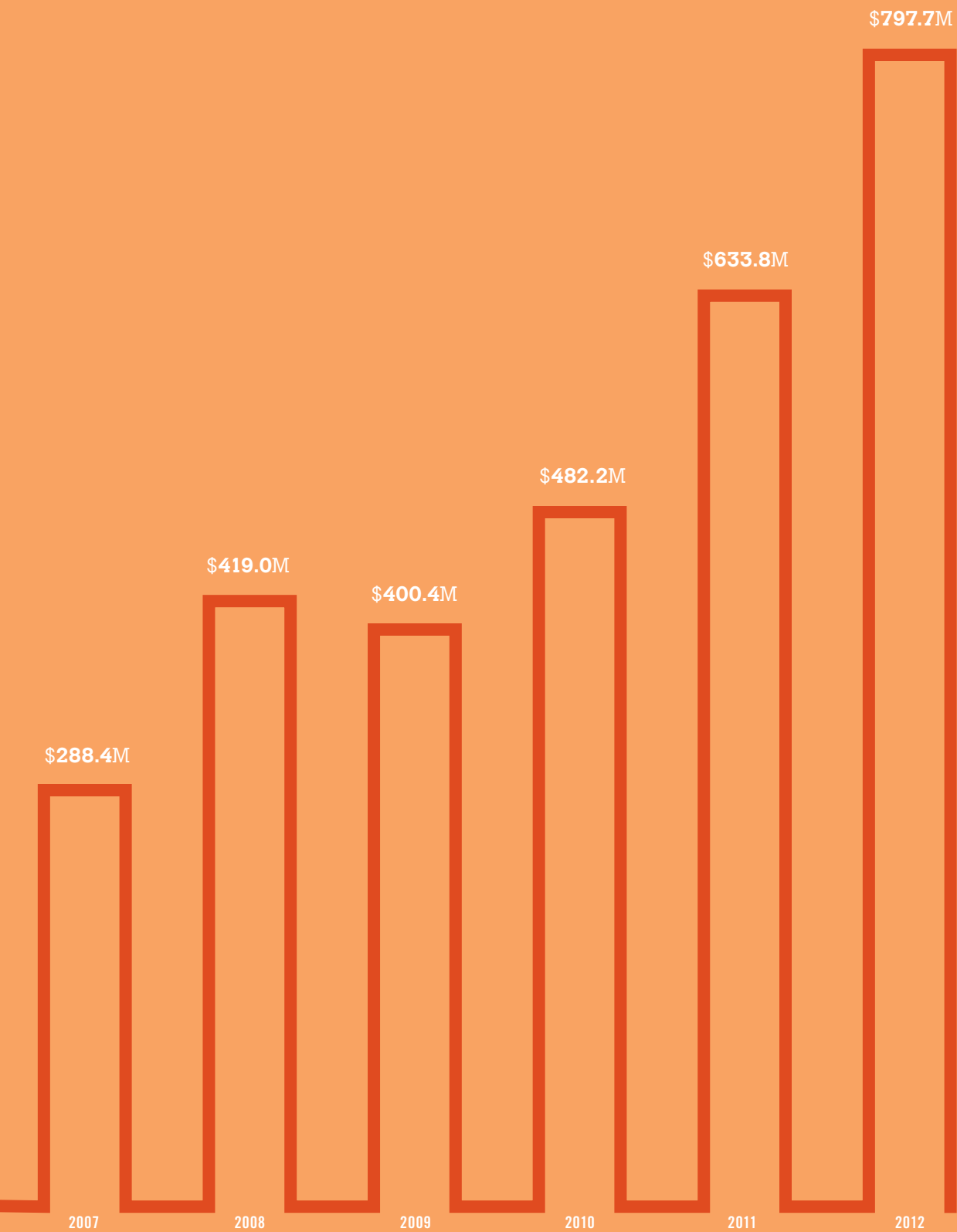
**\$798M**

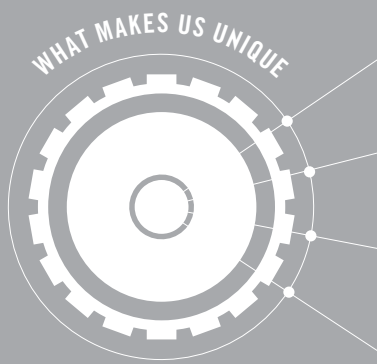
2012 REVENUE

**66%**

COMPOUNDED ANNUAL GROWTH RATE







**Proprietary Technology**

**Breadth of Offerings**

**Global Platform**

**Client Experience**





## An End-to-End Solution

1

2

3



### PRINT MANAGEMENT

### PRODUCT PACKAGING

### BRANDED MERCHANDISE

#### Maximize print spending.

We drive efficiency and quality across clients' marketing materials with our comprehensive print management service.

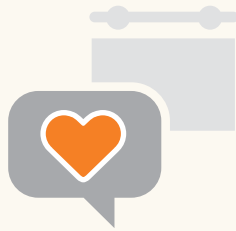
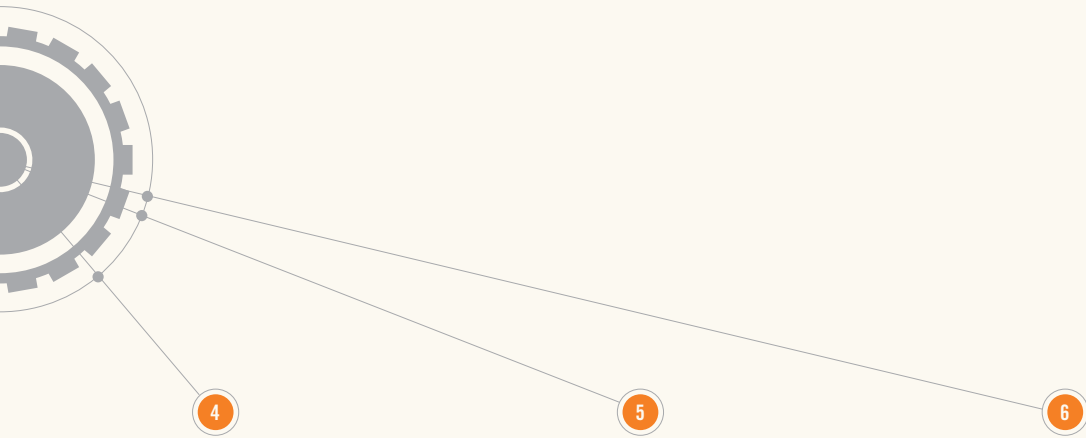
#### Add power to packaging.

We build our clients brand equity with powerful packaging that keeps costs in check.

#### Showcase brands.

We help clients create unique and innovative brand experiences with customized promotional products.





**PRE-MEDIA &  
CREATIVE SERVICES**

**POP DISPLAYS**

**WAREHOUSING & FULFILLMENT**

**Captivate  
audiences.**

Our Pre-media and Creative Services help clients get the most out of their marketing investment.

**Influence clients  
at the point of  
purchase.**

We help clients inspire action with in-store displays that master the art of persuasion.

**Streamline  
warehousing  
and fulfillment.**

We add speed, simplicity and savings to inventory management and fulfillment with our integrated solution.



## A Growing Global Presence

NORTH AMERICA

LATIN AMERICA

~ 1,400

EMPLOYEES

> 7,000

CLIENTS

> 10,000

SUPPLIERS



EUROPE,  
MIDDLE EAST  
& AFRICA

ASIA PACIFIC

**33**

COUNTRIES WITH EMPLOYEES

**169**

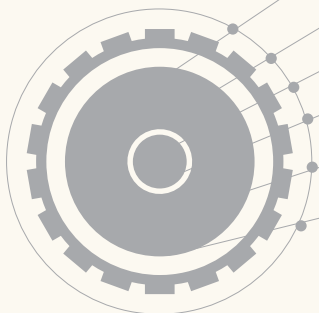
COUNTRIES BEING SERVED



# Securing Larger Contracts Across Diverse Verticals

In 2012, we secured three of the largest clients in our company's history.

**Today we have flagship clients in most major industry verticals.**





NON-PROFIT



CONSUMER GOODS



HEALTHCARE



UTILITIES



RETAIL



HOSPITALITY



FINANCIAL SERVICES



BUSINESS SERVICES



MANUFACTURING



# Developing the Best Talent

With nearly 1,400 global employees—including 250 located onsite with clients—our people are dedicated to serving our clients and our company’s mission. We are developing the future leaders of the marketing supply chain industry.



BRIAN SZUBINSKI  
CHICAGO, IL



EDUARDO RANGEL  
DALLAS, TX



BAL PARMAR  
BIRMINGHAM, UK



TRACI TARNOK  
NORWALK, CT



ROBERT O'DONNELL  
BOSTON, MA



JODI STINELY  
NEWPORT NEWS, VA



GABRIELLA LA CRUZ  
CARACAS, VE

**2012 CEO CIRCLE**  
Each year, we celebrate the contributions of employees who excel in delivering value to our customers and our organization.



ANDREA STEVENS  
ROANOKE, VA



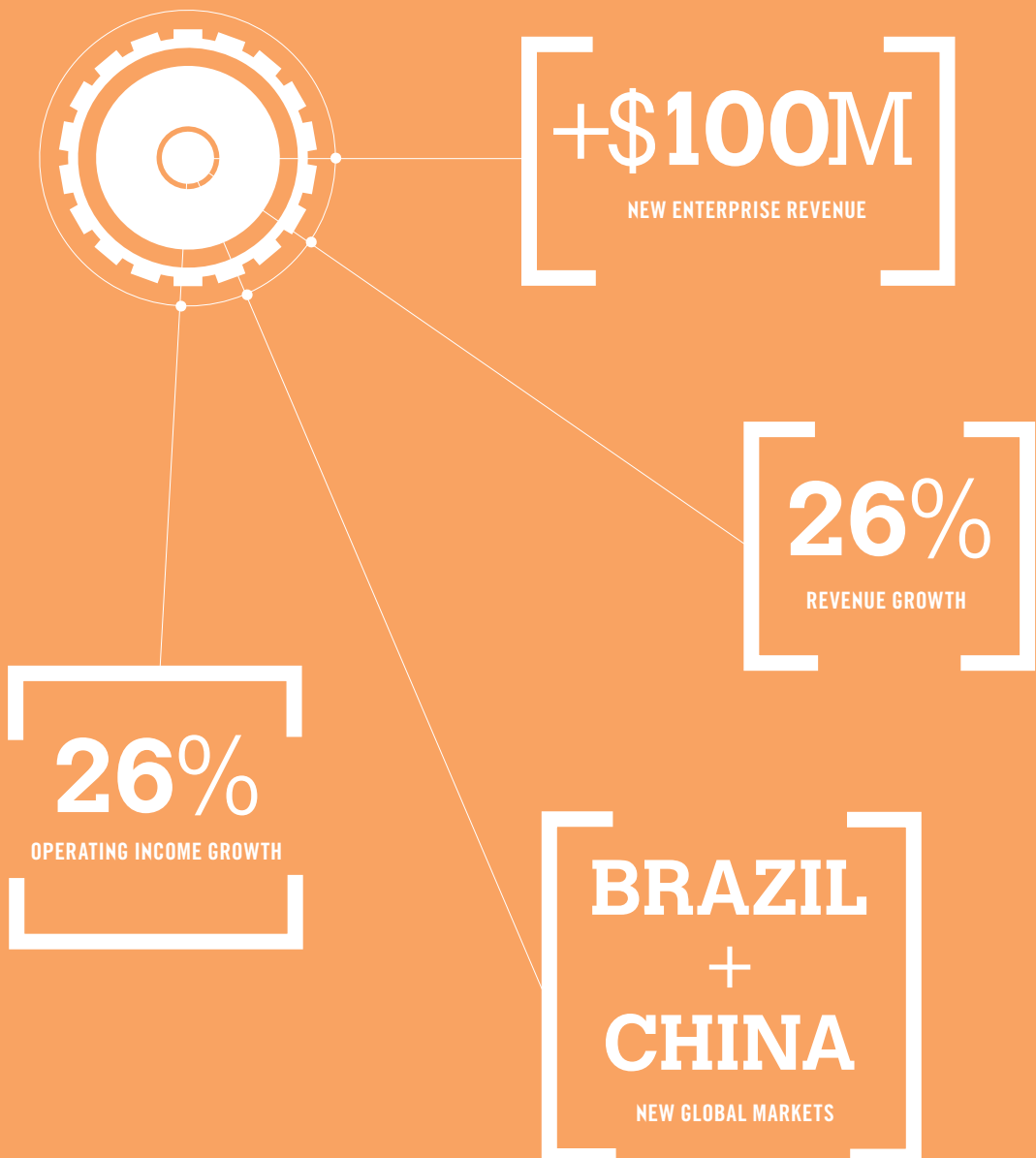
CHIRAG GULIANI  
CHICAGO, IL



JAMES DEANS  
AURORA, IL



# 2012 in Review

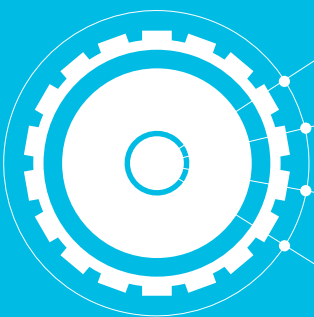




ERIC BELCHER  
PRESIDENT & CEO

MY FELLOW STOCKHOLDERS:

*With record performance across the most important components of our business, 2012 was our best year yet. We continued to execute against our focused growth plan:*



**Powerful Organic Growth**

**New Growth Opportunities**

**Strong Financial Performance**



**DRIVE ORGANIC GROWTH** Our Enterprise business is a powerful organic growth engine and the foundation of the company. In 2012, we recorded over \$100 million of organic revenue from new clients. And we signed three of the largest new enterprise contracts in our history. Our client retention rate is outstanding, which demonstrates the ongoing innovation and value we deliver for our clients. We now have flagship clients serving as references in most major industries, and our pipeline for new enterprise business is stronger than ever.

This past year, we made investments to fuel our global enterprise growth. First, we entered Brazil and China, which strengthens our global platform and our ability to serve clients on multiple continents. Second, we've invested in the development of our next-generation technology platform, which handles all currencies and languages, and will allow for seamless collaboration of client concepts and reporting across our clients' regions. Lastly, we added talented new leadership in Europe, Asia and Latin America. Today, we have employees in 33 countries and are providing services for clients in 169 countries. We believe the future of the industry is a global solution and we intend to be the preeminent provider.

**DEVELOP NEW GROWTH OPPORTUNITIES** We continue to develop new ways to expand our sales and product capabilities. The Inside Sales initiative that we launched in 2010 to serve small and medium-sized businesses saw revenues more than double in 2012. We believe this solution represents the way of the future for this market segment, and stands as yet another example of InnerWorkings blazing the trail in our industry.

We've also added important service capabilities in the past year. For example, we now offer a comprehensive internal creative studio service for Fortune 500 companies. This aligns with our vision of becoming an end-to-end marketing supply chain provider. We will continue to evaluate and deploy new product and service offerings through both internal development and acquisition strategies.

**ACHIEVE STRONG FINANCIAL PERFORMANCE** I am proud of what we accomplished in 2012. Our revenues grew 26% to \$798 million, with the majority of the growth being organic in nature. Operating income also expanded 26% to \$28 million. And our return on invested capital grew while we reduced our debt. Importantly, none of these improved metrics were realized at the expense of our future opportunities as we made meaningful investments in our future throughout the year. We expect these resource allocation decisions to drive stockholder returns in the future.

Our talented employees—including the hundreds onsite with our clients—remain focused on delivering value to our clients. We are committed to becoming a global powerhouse with the most respected name in the industry.

2012 was a tremendous year, but we're just getting started. We have a huge market opportunity in front of us, and we intend to capitalize on it.

On behalf of everyone at InnerWorkings, I'd like to thank you for your continued support.

My regards,





# INWK

Our common stock is listed and traded on the NASDAQ Global Market under the symbol "INWK."

The following table sets forth the high and low sales prices of our common stock as reported by the NASDAQ Global Market for each of the periods listed.



## 2012

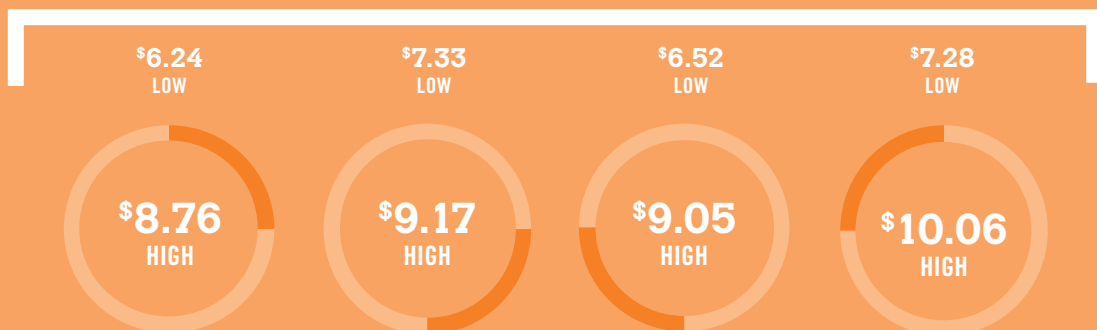
Q1

Q2

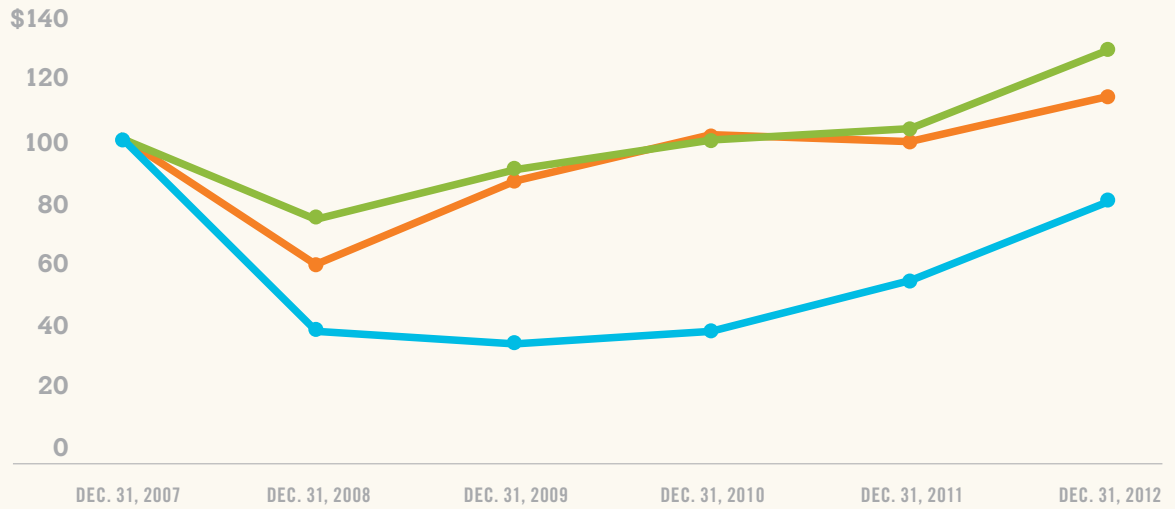
Q3

Q4

## 2011



## Stock Performance



	DEC. 31, 2007	DEC. 31, 2008	DEC. 31, 2009	DEC. 31, 2010	DEC. 31, 2011	DEC. 31, 2012
<b>INWK</b>	\$100	\$38	\$34	\$ 38	\$ 54	\$ 80
<b>NASDAQ MARKET INDEX</b>	\$100	\$59	\$86	\$100	\$ 98	\$114
<b>DOW JONES BUSINESS SUPPORT SERVICES INDEX</b>	\$100	\$74	\$90	\$ 99	\$103	\$129

This graph assumes \$100 was invested on December 31, 2007 in the common stock of the Company and each of the above indices and assumes reinvestment of dividends. The stock performance on the graph above is not necessarily indicative of future stock price performance.

# Consolidated Statements of Income

	Years Ended December 31,		
	2010	2011	2012
Revenue	\$482,212,101	\$633,846,120	\$797,698,870
Cost of goods sold	366,199,728	484,483,592	612,275,393
Gross profit	116,012,373	149,362,528	185,423,477
<b>Operating expenses</b>			
Selling, general and administrative expenses	91,796,566	115,624,276	143,632,284
Depreciation and amortization	9,008,514	10,171,758	10,790,452
Preference claim charge	—	950,000	1,099,386
VAT settlement charge	—	—	1,485,088
Income from operations	15,207,293	22,616,494	28,416,267
<b>Other income (expense)</b>			
Gain on sale of investment	3,578,431	3,948,082	1,196,196
Interest income	150,506	182,050	66,489
Interest expense	(1,928,210)	(2,251,010)	(2,438,234)
Other, net	(48,725)	—	94,411
Total other income (expense)	1,752,002	1,879,122	(1,081,138)
Income before taxes	16,959,295	24,495,616	27,335,129
Income tax expense	5,748,806	8,102,609	8,223,241
Net income	\$ 11,210,489	\$ 16,393,007	\$ 19,111,888
Basic earnings per share	\$ 0.25	\$ 0.35	\$ 0.39
Diluted earnings per share	\$ 0.24	\$ 0.34	\$ 0.37

Audited financial statements and notes, along with management's discussion and analysis of results of operations and financial condition, are available in our 2012 Annual Report on Form 10-K filed with the Securities and Exchange Commission, accessible on our website, [www.inwk.com](http://www.inwk.com)

## Consolidated Statements of Operations Data

	Years Ended December 31,				
	2008	2009	2010	2011	2012
	(in thousands, except per share and headcount amounts)				
Revenue	\$419,017	\$400,447	\$482,212	\$633,846	\$797,699
Cost of goods sold	314,996	301,672	366,200	484,483	612,275
Gross profit	104,021	98,775	116,012	149,363	185,424
Selling, general and administrative expenses	79,655	81,288	91,796	115,624	143,632
Depreciation and amortization	4,761	8,031	9,009	10,172	10,791
Preference claim settlement charge	—	—	—	950	1,099
VAT settlement charge	—	—	—	—	1,485
Income from operations	19,605	9,456	15,207	22,617	28,417
Total other income (expense)	6,445	(439)	1,752	1,879	(1,082)
Income before income taxes	26,050	9,017	16,959	24,496	27,335
Income tax expense	(10,097)	(2,708)	(5,749)	(8,103)	(8,223)
Net income	\$ 15,953	\$ 6,309	\$ 11,210	\$ 16,393	\$ 19,112

### Net income per share of common stock

Basic	\$ 0.34	\$ 0.14	\$ 0.25	\$ 0.35	\$ 0.39
Diluted	\$ 0.32	\$ 0.13	\$ 0.24	\$ 0.34	\$ 0.37

### Shares used in per share calculations

Basic	47,137	45,535	45,704	46,428	48,811
Diluted	49,141	47,157	47,582	48,827	51,410

### Other data

Employees and independent contractors	761	667	743	1,034	1,379
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## Other Financial and Operational Data

	Years Ended December 31,		
	2010	2011	2012
	(dollars in thousands)		
Income from operations	\$15,207	\$22,616	\$28,416
Depreciation and amortization	9,009	10,172	10,790
Stock-based compensation expense	3,148	3,976	6,193
Preference claim charge	—	950	1,099
VAT settlement charge	—	—	1,485
Change in fair value of contingent consideration	(1,987)	(148)	(2,724)
Adjusted EBITDA	\$25,377	\$37,566	\$45,259

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# Consolidated Statements of Cash Flows

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Years Ended December 31,		
	<b>2010</b>	<b>2011</b>	<b>2012</b>
Net income	\$ 11,210,489	\$ 16,393,007	\$ 19,111,888
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Depreciation and amortization	9,008,514	10,171,758	10,790,452
Stock-based compensation expense	3,148,619	3,976,187	6,192,870
Deferred income taxes	801,406	1,228,443	1,090,502
Gain on sale of investment	(3,578,431)	(3,948,082)	(1,196,196)
Bad debt provision	2,901,216	2,414,710	1,681,942
Excess tax benefit from exercise of stock awards	(862,458)	(1,144,344)	(6,666,884)
Change in fair value of contingent consideration liability	(1,987,042)	(147,529)	(2,724,978)
Other operating activities	259,806	255,949	533,842
<b>Change in assets, net of acquisitions:</b>			
Accounts receivable and unbilled revenue	(21,385,688)	(24,785,185)	(23,278,410)
Inventories	368,909	(3,326,116)	(2,134,490)
Prepaid expenses and other	5,360,326	(2,715,853)	(13,063,957)
<b>Change in liabilities, net of acquisitions:</b>			
Accounts payable	1,079,820	25,432,811	13,582,947
Accrued expenses and other	2,027,038	4,024,780	6,616,912
Net cash provided by operating activities	\$ 8,352,524	\$ 27,830,536	\$ 10,536,440

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	Years Ended December 31,		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Purchases of property and equipment	\$ (4,897,251)	\$ (8,182,832)	\$(11,823,646)
Payments for acquisitions, net of cash acquired	(4,188,455)	(17,097,159)	(1,127,954)
Payments to seller for acquisitions closed prior to 2009	(12,511,168)	(12,247,533)	(3,000,000)
Proceeds from sale of marketable securities	3,595,427	3,952,172	1,213,501
Proceeds from sale of short-term investments	13,818,771	—	—
Proceeds from sale of property and equipment	—	—	31,566
Net cash used in investing activities	(4,182,676)	(33,575,352)	(14,706,533)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net borrowings (repayments) from revolving credit facility and short-term debt	(2,098,107)	12,600,000	5,000,000
Payments of contingent consideration	—	—	(8,303,112)
Principal payments on capital lease obligations	(106,693)	(31,217)	(7,270)
Proceeds from exercise of stock options	195,561	354,584	5,458,981
Excess tax benefit from exercise of stock awards	862,458	1,144,345	6,666,884
Payment of debt issuance costs	(633,600)	—	(356,700)
Net cash provided by (used in) financing activities	(1,780,381)	14,067,712	8,458,783
Effect of exchange rate changes on cash and cash equivalents	(34,101)	(362,783)	(289,176)
Increase in cash and cash equivalents	2,355,366	7,960,113	3,999,514
Cash and cash equivalents, beginning of period	2,903,906	5,259,272	13,219,385
Cash and cash equivalents, end of period	\$ 5,259,272	\$ 13,219,385	\$ 17,218,899

# Consolidated Balance Sheets

<b>ASSETS</b>	<b>DEC. 31, 2011</b>	<b>DEC. 31, 2012</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 13,219,385	\$ 17,218,899
Short-term investments	1,129,757	—
Accounts receivable <sup>1</sup>	124,946,621	149,246,568
Unbilled revenue	28,318,751	30,798,230
Inventories	14,201,606	17,406,863
Prepaid expenses	11,066,451	16,210,053
Deferred income taxes	1,729,349	1,513,414
Other current assets	13,875,918	21,051,907
Total current assets	208,487,838	253,445,934
Property and equipment, net	12,086,627	17,078,384
<b>Intangibles and other assets</b>		
Goodwill	205,282,587	214,086,880
Intangible assets <sup>2</sup>	26,565,315	36,396,865
Deferred income taxes	4,246,592	413,244
Other assets	984,227	822,275
	237,078,721	251,719,264
<b>Total assets</b>	<b>\$457,653,186</b>	<b>\$ 522,243,582</b>

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**LIABILITIES AND STOCKHOLDERS' EQUITY****DEC. 31, 2011****DEC. 31, 2012****Liabilities**

Accounts payable-trade	\$ 102,290,443	\$ 121,132,051
Current portion of contingent consideration	14,232,980	7,795,489
Due to seller	7,554,000	10,796,850
Other liabilities	6,979,516	8,111,051
Accrued expenses	17,324,598	17,558,675
<b>Total current liabilities</b>	<b>148,381,537</b>	<b>165,394,116</b>
Revolving credit facility	60,000,000	65,000,000
Deferred income taxes	—	5,000,740
Contingent consideration, net of current portion	67,769,862	63,869,281
<b>Total liabilities</b>	<b>276,151,399</b>	<b>299,264,137</b>

**Stockholders' equity**

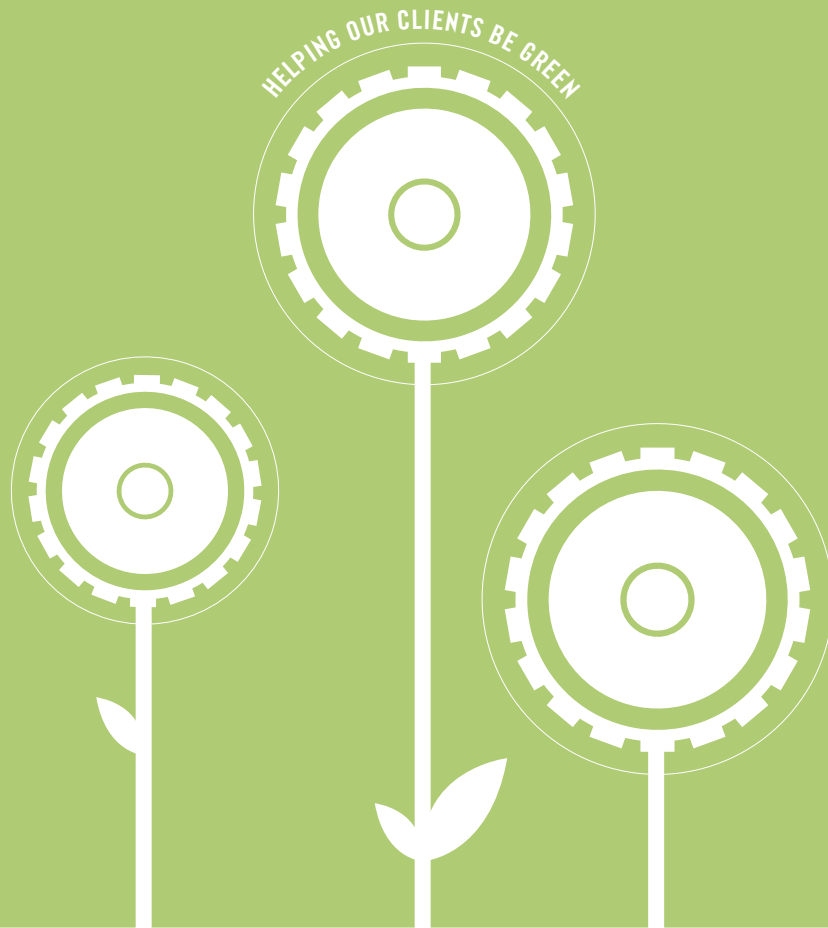
Common stock, par value \$0.0001 per share <sup>3</sup>	4,700	5,020
Additional paid-in capital	179,688,593	198,118,990
Treasury stock at cost <sup>4</sup>	(71,241,947)	(67,071,323)
Accumulated other comprehensive income	268,331	205,462
Retained earnings	72,782,110	91,721,296
<b>Total stockholders' equity</b>	<b>181,501,787</b>	<b>222,979,445</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 457,653,186</b>	<b>\$ 522,243,582</b>

1. Net of allowance for doubtful accounts of \$3,293,241 and \$1,553,926, respectively

2. Net of accumulated amortization of \$13,503,735 and \$18,195,508, respectively

3. 200,000,000 and 200,000,000 shares authorized, 57,903,418 and 60,735,561 shares issued, 46,998,011 and 50,200,098 shares outstanding, respectively

4. 10,905,407 and 10,535,463 shares, respectively



**Utilize the right manufacturers to reduce waste.**

**Source locally to reduce fuel consumption.**

**Optimize production quantities to minimize waste.**

**Advocate for recycled and eco-friendly materials.**





**BOARD OF DIRECTORS**

**JACK M. GREENBERG**

Chairman of the Board  
Retired Chairman and CEO,  
McDonald's Corporation

**ERIC D. BELCHER**

President and Chief Executive Officer,  
InnerWorkings

**CHARLES K. BOBRINSKOY**

Vice Chairman and Director of Research,  
Ariel Investments

**JULIE M. HOWARD**

Chief Executive Officer,  
Navigant Consulting, Inc.

**LINDA S. WOLF**

Retired Chairman and CEO,  
Leo Burnett Worldwide

**J. PATRICK GALLAGHER JR.**

Chairman and CEO,  
Arthur J. Gallagher & Co.

**DAVID FISHER**

CEO, Enova International, Inc.

**COMMITTEES**

**AUDIT COMMITTEE**

Charles K. Bobrinsky (Chair)  
David Fisher  
Linda S. Wolf

**COMPENSATION COMMITTEE**

J. Patrick Gallagher Jr. (Chair)  
Charles K. Bobrinsky  
Jack M. Greenberg  
Julie M. Howard  
Linda S. Wolf  
David Fisher

**NOMINATING & CORPORATE  
GOVERNANCE COMMITTEE**

Linda S. Wolf (Chair)  
J. Patrick Gallagher Jr.  
Jack M. Greenberg  
Julie M. Howard

**EXECUTIVE OFFICERS**

**ERIC D. BELCHER**

President and Chief Executive Officer

**JOSEPH M. BUSKY**

Chief Financial Officer

**JOHN D. EISEL**

Chief Operating Officer

**RONALD C. PROVENZANO**

General Counsel

**SHAREHOLDER INFORMATION**

**CORPORATE HEADQUARTERS**

InnerWorkings, Inc.  
600 W. Chicago Avenue  
Suite 850  
Chicago, IL 60654  
312.642.3700

**AUDITOR**

Ernst & Young LLP  
Chicago, IL

**ANNUAL MEETING**

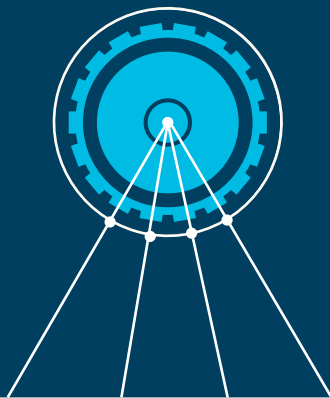
InnerWorkings' shareholders are invited to attend our annual meeting, which will be held June 20, 2013, at 11:00am (CT) at our Chicago Headquarters.

**COMMON STOCK**

The common stock of InnerWorkings, Inc. is traded on the NASDAQ Global Market under the name "INWK."

**TRANSFER AGENT**

American Stock Transfer and  
Trust Company, LLC  
Shareholder Services  
6201 15th Avenue  
Brooklyn, NY 112  
Phone: 800.937.5449  
www.amstock.com



 InnerWorkings™

600 WEST CHICAGO AVENUE, SUITE 850  
CHICAGO, IL 60654  
INWK.COM



LISTED ON NASDAQ® UNDER THE SYMBOL "INWK"