

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): July 24, 2018

The Interpublic Group of Companies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

1-6686

13-1024020

(State or Other Jurisdiction
of Incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

909 Third Avenue, New York, New York

10022

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: 212-704-1200

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On July 24, 2018, The Interpublic Group of Companies, Inc. (i) issued a press release, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein, announcing its results for the second quarter and first six months of 2018, (ii) held a conference call to discuss the foregoing results and (iii) posted an investor presentation, a copy of which is attached hereto as Exhibit 99.2 and incorporated by reference herein, on its website in connection with the conference call.

Item 9.01. Financial Statements and Exhibits.

[Exhibit 99.1](#): Press release dated July 24, 2018 (furnished pursuant to Item 2.02)

[Exhibit 99.2](#): Investor presentation dated July 24, 2018 (furnished pursuant to Item 2.02)

SIGNATURES

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

Date: July 24, 2018

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Andrew Bonzani

Name: Andrew Bonzani

Title: Senior Vice President, General Counsel and Secretary



FOR IMMEDIATE RELEASE

New York, NY (July 24, 2018)

Interpublic Announces Second Quarter and First Half 2018 Results

- *Second quarter net revenue increase of 6.2% and organic net revenue increase of 5.6%; U.S. organic net revenue growth was 4.6%; International organic net revenue growth was 7.2%.*
- *First half net revenue increase of 6.0%; organic net revenue increase was 4.7%*
- *Second quarter operating income increase of 10.4% to \$249.2 million*
- *Second quarter operating margin on net revenue of 12.8% compared to 12.3% in the prior year*
- *Second quarter diluted earnings per share of \$0.37 and \$0.43 as adjusted for dispositions of certain small, non-strategic businesses during the quarter, compared with \$0.27 and \$0.30 as adjusted a year ago*
- *First half diluted earnings per share of \$0.34 and \$0.45 as adjusted for business dispositions, compared with \$0.33 and \$0.36 as adjusted a year ago*
- *Company increases full year target for organic net revenue growth to range of 4.0% to 4.5%, and maintains target of 60-70 basis points of net operating margin expansion*
- *Company margin target excludes expected non-recurring transaction costs*

Summary

Revenue

- Second quarter 2018 net revenue increased 6.2% to \$1.95 billion, compared to \$1.83 billion in the second quarter of 2017, with an organic net revenue increase of 5.6% compared to the prior-year period. This was comprised of an organic net increase of 4.6% in the U.S. and 7.2% internationally. Second quarter 2018 total revenue increased 9.4% to \$2.39 billion, compared to \$2.19 billion in the second quarter of 2017.
- First half 2018 net revenue increased 6.0% to \$3.72 billion, compared to \$3.51 billion in the first half of 2017, with an organic net revenue increase of 4.7% compared to the prior-year period. This was comprised of an organic net increase of 4.5% in the U.S. and 5.1% internationally. First half 2018 total revenue increased 7.3% to \$4.56 billion, compared to \$4.25 billion in the first half of 2017.

Operating Results

- Operating income in the second quarter of 2018 was \$249.2 million, compared to \$225.7 million in 2017. Operating margin on net revenue was 12.8% for the second quarter of 2018, compared to 12.3% in 2017.
- For the first half of 2018, operating income was \$288.0 million, compared to \$260.4 million in 2017. Operating margin on net revenue was 7.7% for the first half of 2018, compared to 7.4% in 2017.

Net Results

- Income tax provision in the second quarter of 2018 was \$63.6 million on income before income taxes of \$211.5 million.
- Second quarter 2018 net income available to IPG common stockholders was \$145.8 million, resulting in earnings of \$0.38 per basic share and \$0.37 per diluted share, and \$0.43 per diluted share as adjusted for a non-operating loss of \$19.8 million on the sales of businesses in "Other Expense, Net." This compares to net income available to IPG common stockholders a year ago of \$107.7 million, resulting in earnings of \$0.27 per basic and diluted share, and \$0.30 per adjusted diluted share.
- Income tax provision in the first half of 2018 was \$76.3 million on income before income taxes of \$210.0 million.
- First half 2018 net income available to IPG common stockholders was \$131.7 million, resulting in earnings of \$0.34 per basic and diluted share, and \$0.45 per diluted share as adjusted for a non-operating loss of \$44.2 million on the sales of businesses in "Other Expense, Net." This compares to net income available to IPG common stockholders a year ago of \$132.4 million, resulting in earnings of \$0.34 per basic share and \$0.33 per diluted share, and \$0.36 per adjusted diluted share.
- As a reminder, 2017 results are as previously restated for the adoption of ASC 606. Refer to reconciliations in the back for more detail.

"We are extremely pleased with our performance this quarter. Growth in the U.S. continued to be strong and international growth accelerated. The results were led by exceptional performance in media and at our creatively-led integrated agencies, as well as contributions from our digital services, public relations, events and sports marketing. This breadth highlights the competitiveness of our offerings, the talent of our people, the expanding value of our data and analytics practice, and our ability to bring collaborative open architecture solutions to market," said Michael I. Roth, Interpublic's Chairman and CEO.

"This is an exciting time for our company. We continue to drive growth that leads our industry. Further, our announcement earlier this month to acquire Acxiom Marketing Solutions means that we are well-positioned to execute on the many opportunities that come with unrivaled industry resources in data management - capabilities that are key to driving future growth for our clients," added Mr. Roth.

“Our results year-to-date, coupled with our expectations for the remainder of the year, have led us to increase our organic growth target, and we now expect to deliver net revenue organic growth of 4 to 4.5% in 2018. We remain committed to furthering our long-term record of margin expansion with 60 to 70 basis points of improvement, as targeted coming into the year. We view our current performance and long-term strategy as significant factors that will continue to further value creation and enhance shareholder value,” concluded Mr. Roth.

Operating Results

Revenue

Net revenue of \$1.95 billion in the second quarter of 2018 increased 6.2% compared with the same period in 2017. During the quarter, the effect of foreign currency translation was positive 1.4%, the impact of net divestitures was negative 0.8%, and the resulting organic net revenue increase was 5.6%. Total revenue of \$2.39 billion in the second quarter of 2018 increased 9.4% compared with the same period in 2017.

Net revenue of \$3.72 billion in the first half of 2018 increased 6.0% compared with the first half of 2017. During the first half of 2017, the effect of foreign currency translation was positive 2.1%, the impact of net divestitures was negative 0.8%, and the resulting organic net revenue increase was 4.7%. Total revenue of \$4.56 billion in the first half of 2018 increased 7.3% compared with the first half of 2017.

Operating Expenses

Total operating expenses, excluding billable expenses, increased 5.6% in the second quarter of 2018 from a year ago, compared with net revenue growth of 6.2%, and increased 5.7% in the first half of 2018 from a year ago, compared with net revenue growth of 6.0%.

During the second quarter of 2018, salaries and related expenses were \$1.29 billion, an increase of 5.2% compared to the same period in 2017. During the first half of 2018, salaries and related expenses were \$2.62 billion, an increase of 5.7% compared to the same period in 2017.

Staff cost ratio, which is total salaries and related expenses as a percentage of net revenue, was 66.4% in the second quarter of 2018 compared to 67.0% in the same period in 2017, and was 70.5% in the first half of 2018 compared to 70.7% in the same period in 2017.

During the second quarter of 2018, office and other direct expenses were \$333.3 million, an increase of 4.7% compared to the same period in 2017. During the first half of 2018, office and other direct expenses were \$657.1 million, an increase of 4.1% compared to the same period in 2017.

Office and other direct expenses were 17.1% of net revenue in the second quarter of 2018 compared to 17.4% a year ago, and were 17.7% in the first half of 2018 compared to 18.0% in the same period in 2017.

During the second quarter of 2018, selling, general and administrative expenses were \$28.8 million, an increase of 41.9% compared to the same period in 2017. During the first half of 2018, selling, general and administrative expenses were \$63.9 million, an increase of 15.1% compared to the same period in 2017.

Selling, general and administrative expenses were 1.5% of net revenue in the second quarter of 2018 compared to 1.1% a year ago, and were 1.7% in the first half of 2018 compared to 1.6% in the same period in 2017.

During the second quarter of 2018, depreciation and amortization was \$44.0 million, an increase of 6.5% compared to the same period in 2017. During the first half of 2018, depreciation and amortization was \$90.0 million, an increase of 9.4% compared to the same period in 2017.

Depreciation and amortization was 2.3% of net revenue in the second quarter of 2018 compared to 2.3% a year ago, and was 2.4% in the first half of 2018 compared to 2.3% in the same period in 2017.

Non-Operating Results and Tax

Net interest expense of \$21.4 million increased by \$0.4 million in the second quarter of 2018 compared to the same period in 2017. For the first half of 2018, net interest expense of \$37.3 million increased by \$0.6 million compared to the same period in 2017.

The income tax provision in the second quarter of 2018 was \$63.6 million on income before income taxes of \$211.5 million, compared to a provision of \$81.6 million on income before income taxes of \$189.3 million in the same period in 2017.

The income tax provision in the first half of 2018 was \$76.3 million on income before income taxes of \$210.0 million, compared to a provision of \$81.3 million on income before income taxes of \$209.1 million in the same period in 2017.

Balance Sheet

At June 30, 2018, cash, cash equivalents and marketable securities totaled \$493.3 million, compared to \$791.0 million at December 31, 2017 and \$660.8 million at June 30, 2017. Total debt was \$2.04 billion at June 30, 2018, compared to \$1.37 billion at December 31, 2017.

Share Repurchase Program and Common Stock Dividend

During the second quarter of 2018, the company repurchased 2.6 million shares of its common stock at an aggregate cost of \$59.6 million and an average price of \$23.43 per share, including fees. During the first half of 2018, the company repurchased 5.0 million shares of its common stock at an aggregate cost of \$114.5 million and an average price of \$23.02 per share, including fees.

During the second quarter of 2018, the company declared and paid a common stock cash dividend of \$0.21 per share, for a total of \$80.4 million.

For more information concerning the company's financial results, please refer to the accompanying slide presentation available on our website, www.interpublic.com.

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About Interpublic

Interpublic is one of the world's leading organizations of advertising agencies and marketing services companies. Major global brands include Craft, FCB (Foote, Cone & Belding), FutureBrand, Golin, Huge, Initiative, Jack Morton, MAGNA, McCann, Momentum, MRM//McCann, MullenLowe Group, Octagon, R/GA, UM and Weber Shandwick. Other leading brands include Avrett Free Ginsberg, Campbell Ewald, Carmichael Lynch, Deutsch, Hill Holliday, ID Media and The Martin Agency. For more information, please visit www.interpublic.com.

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Cautionary Statement

This release contains forward-looking statements. Statements in this release that are not historical facts, including statements about management's beliefs and expectations, constitute 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 under Item 1A, Risk Factors, in our most recent Annual Report on Form 10-K, and our other filings with the Securities and Exchange Commission ("SEC"). Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

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 statement. Such factors include, but are not limited to, the following:

- potential effects of a challenging economy, for example, on the demand for our advertising and marketing services, on our clients' financial condition and on our business or financial condition;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with assumptions we make in connection with our critical accounting estimates, including changes in assumptions associated with any effects of a weakened economy;
- potential adverse effects if we are required to recognize impairment charges or other adverse accounting-related developments;
- risks associated with the effects of global, national and regional economic and political conditions, including counterparty risks and fluctuations in economic growth rates, interest rates and currency exchange rates; and
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world.

Investors should carefully consider these factors and the additional risk factors outlined in more detail under Item 1A, Risk Factors, in our most recent Annual Report on Form 10-K, and our other SEC filings.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
SECOND QUARTER REPORT 2018 AND 2017
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three Months Ended June 30,		
	2018	2017	Fav. (Unfav.) % Variance
Revenue:			
Net Revenue	\$ 1,948.2	\$ 1,834.6	6.2 %
Billable Expenses	443.6	351.2	26.3 %
Total Revenue	2,391.8	2,185.8	9.4 %
Operating Expenses:			
Salaries and Related Expenses	1,292.9	1,228.9	(5.2)%
Office and Other Direct Expenses	333.3	318.4	(4.7)%
Billable Expenses	443.6	351.2	(26.3)%
Cost of Services	2,069.8	1,898.5	(9.0)%
Selling, General and Administrative Expenses	28.8	20.3	(41.9)%
Depreciation and Amortization	44.0	41.3	(6.5)%
Total Operating Expenses	2,142.6	1,960.1	(9.3)%
Operating Income	249.2	225.7	10.4 %
Operating Margin on Net Revenue %	12.8%	12.3%	
Operating Margin on Total Revenue %	10.4%	10.3%	
Expenses and Other Income:			
Interest Expense	(26.1)	(25.7)	
Interest Income	4.7	4.7	
Other Expense, Net	(16.3)	(15.4)	
Total (Expenses) and Other Income	(37.7)	(36.4)	
Income Before Income Taxes	211.5	189.3	
Provision for Income Taxes	63.6	81.6	
Income of Consolidated Companies	147.9	107.7	
Equity in Net Loss of Unconsolidated Affiliates	(0.1)	(0.1)	
Net Income	147.8	107.6	
Net (Income) Loss Attributable to Noncontrolling Interests	(2.0)	0.1	
Net Income Available to IPG Common Stockholders	\$ 145.8	\$ 107.7	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.38	\$ 0.27	
Diluted	\$ 0.37	\$ 0.27	
Weighted-Average Number of Common Shares Outstanding:			
Basic	383.6	392.3	
Diluted	389.5	400.3	
Dividends Declared Per Common Share	\$ 0.21	\$ 0.18	

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
SECOND QUARTER REPORT 2018 AND 2017
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Six Months Ended June 30,		Fav. (Unfav.) % Variance
	2018	2017	
Revenue:			
Net Revenue	\$ 3,722.2	\$ 3,509.9	6.0 %
Billable Expenses	838.7	739.7	13.4 %
Total Revenue	4,560.9	4,249.6	7.3 %
Operating Expenses:			
Salaries and Related Expenses	2,623.2	2,480.6	(5.7)%
Office and Other Direct Expenses	657.1	631.1	(4.1)%
Billable Expenses	838.7	739.7	(13.4)%
Cost of Services	4,119.0	3,851.4	(6.9)%
Selling, General and Administrative Expenses	63.9	55.5	(15.1)%
Depreciation and Amortization	90.0	82.3	(9.4)%
Total Operating Expenses	4,272.9	3,989.2	(7.1)%
Operating Income	288.0	260.4	10.6 %
Operating Margin on Net Revenue %	7.7%	7.4%	
Operating Margin on Total Revenue %	6.3%	6.1%	
Expenses and Other Income:			
Interest Expense	(46.0)	(46.6)	
Interest Income	8.7	9.9	
Other Expense, Net	(40.7)	(14.6)	
Total (Expenses) and Other Income	(78.0)	(51.3)	
Income Before Income Taxes	210.0	209.1	
Provision for Income Taxes	76.3	81.3	
Income of Consolidated Companies	133.7	127.8	
Equity in Net (Loss) Income of Unconsolidated Affiliates	(2.0)	1.1	
Net Income	131.7	128.9	
Net Loss Attributable to Noncontrolling Interests	—	3.5	
Net Income Available to IPG Common Stockholders	\$ 131.7	\$ 132.4	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.34	\$ 0.34	
Diluted	\$ 0.34	\$ 0.33	
Weighted-Average Number of Common Shares Outstanding:			
Basic	383.5	392.0	
Diluted	388.9	399.6	
Dividends Declared Per Common Share	\$ 0.42	\$ 0.36	

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three Months Ended June 30, 2018		
	As Reported	Net Losses on Sales of Businesses ¹	Adjusted Results
Income Before Income Taxes	\$ 211.5	\$ (19.8)	\$ 231.3
Provision for Income Taxes	63.6		63.6
Equity in Net Loss of Unconsolidated Affiliates	(0.1)		(0.1)
Net Income Attributable to Noncontrolling Interests	(2.0)		(2.0)
Net Income Available to IPG Common Stockholders	\$ 145.8	\$ (19.8)	\$ 165.6
Weighted-Average Number of Common Shares Outstanding - Basic	383.6		383.6
Dilutive effect of stock options and restricted shares	5.9		5.9
Weighted-Average Number of Common Shares Outstanding - Diluted	389.5		389.5
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.38	\$ (0.05)	\$ 0.43
Diluted	\$ 0.37	\$ (0.05)	\$ 0.43

¹ Includes losses on complete dispositions of businesses and the classification of certain assets held for sale.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Six Months Ended June 30, 2018		
	As Reported	Net Losses on Sales of Businesses ¹	Adjusted Results
Income Before Income Taxes	\$ 210.0	\$ (44.2)	\$ 254.2
Provision for Income Taxes	76.3	0.4	76.7
Equity in Net Loss of Unconsolidated Affiliates	(2.0)		(2.0)
Net Income Available to IPG Common Stockholders	\$ 131.7	\$ (43.8)	\$ 175.5
Weighted-Average Number of Common Shares Outstanding - Basic	383.5		383.5
Dilutive effect of stock options and restricted shares	5.4		5.4
Weighted-Average Number of Common Shares Outstanding - Diluted	388.9		388.9
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.34	\$ (0.11)	\$ 0.46
Diluted	\$ 0.34	\$ (0.11)	\$ 0.45

¹ Includes losses on complete dispositions of businesses and the classification of certain assets held for sale.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three Months Ended June 30, 2017		
	As Reported	Net Losses on Sales of Businesses ¹	Adjusted Results
Income Before Income Taxes	\$ 189.3	\$ (13.1)	\$ 202.4
Provision for Income Taxes	81.6		81.6
Equity in Net Loss of Unconsolidated Affiliates	(0.1)		(0.1)
Net Loss Attributable to Noncontrolling Interests	0.1		0.1
Net Income Available to IPG Common Stockholders	\$ 107.7	\$ (13.1)	\$ 120.8
Weighted-Average Number of Common Shares Outstanding - Basic	392.3		392.3
Dilutive effect of stock options and restricted shares	8.0		8.0
Weighted-Average Number of Common Shares Outstanding - Diluted	400.3		400.3
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.27	\$ (0.03)	\$ 0.31
Diluted	\$ 0.27	\$ (0.03)	\$ 0.30

¹ Includes losses on complete dispositions of businesses and the classification of certain assets held for sale.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Six Months Ended June 30, 2017		
	As Reported	Net Losses on Sales of Businesses ¹	Adjusted Results
Income Before Income Taxes	\$ 209.1	\$ (12.2)	\$ 221.3
Provision for Income Taxes	81.3		81.3
Equity in Net Income of Unconsolidated Affiliates	1.1		1.1
Net Loss Attributable to Noncontrolling Interests	3.5		3.5
Net Income Available to IPG Common Stockholders	\$ 132.4	\$ (12.2)	\$ 144.6
Weighted-Average Number of Common Shares Outstanding - Basic	392.0		392.0
Dilutive effect of stock options and restricted shares	7.6		7.6
Weighted-Average Number of Common Shares Outstanding - Diluted	399.6		399.6
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.34	\$ (0.03)	\$ 0.37
Diluted	\$ 0.33	\$ (0.03)	\$ 0.36

¹ Includes losses on complete dispositions of businesses and the classification of certain assets held for sale.

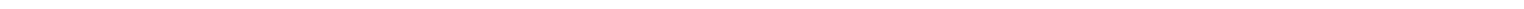
Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.



Interpublic Group

SECOND QUARTER 2018 EARNINGS CONFERENCE CALL

July 24, 2018



Overview - Second Quarter 2018

- Net revenue increased +6.2%
 - Organic net revenue growth was +5.6%
 - U.S. organic growth was +4.6%
 - International organic growth was +7.2%
- Operating income was \$249.2 million, an increase of 10.4% from a year ago, with operating margin expansion of 50 bps
- Diluted EPS was \$0.37, and was \$0.43 as adjusted for sales of small, non-strategic businesses
- Repurchased 2.6 million shares, returning \$60 million

Operating Performance

	Three Months Ended June 30,	
	2018	2017
Net Revenue	\$ 1,948.2	\$ 1,834.6
Billable Expenses	443.6	351.2
Total Revenue	2,391.8	2,185.8
Salaries and Related Expenses	1,292.9	1,228.9
Office and Other Direct Expenses	333.3	318.4
Billable Expenses	443.6	351.2
Selling, General and Administrative Expenses	28.8	20.3
Depreciation and Amortization	44.0	41.3
Operating Income	249.2	225.7
Interest Expense, net	(21.4)	(21.0)
Other Expense, net	(16.3)	(15.4)
Income Before Income Taxes	211.5	189.3
Provision for Income Taxes	63.6	81.6
Equity in Net Loss of Unconsolidated Affiliates	(0.1)	(0.1)
Net Income	147.8	107.6
Net (Income) Loss Attributable to Noncontrolling Interests	(2.0)	0.1
Net Income Available to IPG Common Stockholders	\$ 145.8	\$ 107.7
Earnings per Share Available to IPG Common Stockholders - Basic	\$ 0.38	\$ 0.27
Earnings per Share Available to IPG Common Stockholders - Diluted	\$ 0.37	\$ 0.27
Weighted-Average Number of Common Shares Outstanding - Basic	383.6	392.3
Weighted-Average Number of Common Shares Outstanding - Diluted	389.5	400.3
Dividends Declared per Common Share	\$ 0.21	\$ 0.18

Net Revenue

	Three Months Ended		Six Months Ended	
	\$	% Change	\$	% Change
June 30, 2017	\$ 1,834.6		\$ 3,509.9	
Total change	113.6	6.2%	212.3	6.0%
Foreign currency	24.9	1.4%	74.4	2.1%
Net acquisitions/(divestitures)	(14.9)	(0.8%)	(26.6)	(0.8%)
Organic	103.6	5.6%	164.5	4.7%
June 30, 2018	\$ 1,948.2		\$ 3,722.2	

	Three Months Ended June 30,				Six Months Ended June 30,			
			Change				Change	
	2018	2017	Organic	Total	2018	2017	Organic	Total
IAN	\$ 1,629.1	\$ 1,534.0	6.0%	6.2%	\$ 3,110.4	\$ 2,925.1	5.2%	6.3%
CMG	\$ 319.1	\$ 300.6	3.7%	6.2%	\$ 611.8	\$ 584.8	2.2%	4.6%

Page 4 See reconciliations of segment organic net revenue change on pages 16 and 17.

(\$ in Millions)



Geographic Net Revenue Change

	Three Months Ended June 30, 2018		Six Months Ended June 30, 2018	
	Organic	Total	Organic	Total
United States	4.6%	3.9%	4.5%	3.6%
International	7.2%	9.9%	5.1%	10.1%
United Kingdom	14.7%	24.0%	11.3%	22.5%
Continental Europe	11.7%	15.6%	6.1%	14.2%
Asia Pacific	1.9%	4.3%	0.0%	3.7%
Latin America	4.6%	(4.3%)	7.2%	0.8%
All Other Markets	3.8%	5.3%	3.0%	6.3%
Worldwide	5.6%	6.2%	4.7%	6.0%

"All Other Markets" includes Canada, Africa and the Middle East.

Page 5 See reconciliation of organic net revenue change on pages 16 and 17.



Operating Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Increase	2018	2017	% Increase
Salaries & Related % of Net Revenue	\$ 1,292.9 66.4%	\$ 1,228.9 67.0%	5.2%	\$ 2,623.2 70.5%	\$ 2,480.6 70.7%	5.7%
Office & Other Direct % of Net Revenue	333.3 17.1%	318.4 17.4%	4.7%	657.1 17.7%	631.1 18.0%	4.1%
Selling, General & Administrative % of Net Revenue	28.8 1.5%	20.3 1.1%	41.9%	63.9 1.7%	55.5 1.6%	15.1%
Depreciation & Amortization % of Net Revenue	44.0 2.3%	41.3 2.3%	6.5%	90.0 2.4%	82.3 2.3%	9.4%

Adjusted Diluted Earnings Per Share

	Three Months Ended June 30, 2018		
	As Reported	Net Losses on Sales of Businesses ⁽¹⁾	Adjusted Results
Income Before Income Taxes	\$ 211.5	\$ (19.8)	\$ 231.3
Provision for Income Taxes	63.6		63.6
Diluted EPS Components:			
Net Income Available to IPG Common Stockholders	\$ 145.8	\$ (19.8)	\$ 165.6
Weighted-Average Number of Common Shares Outstanding	389.5		389.5
Earnings Per Share Available to IPG Common Stockholders	\$ 0.37	\$ (0.05)	\$ 0.43

	Six Months Ended June 30, 2018		
	As Reported	Net Losses on Sales of Businesses ⁽¹⁾	Adjusted Results
Income Before Income Taxes	\$ 210.0	\$ (44.2)	\$ 254.2
Provision for Income Taxes	76.3	0.4	76.7
Diluted EPS Components:			
Net Income Available to IPG Common Stockholders	\$ 131.7	\$ (43.8)	\$ 175.5
Weighted-Average Number of Common Shares Outstanding	388.9		388.9
Earnings Per Share Available to IPG Common Stockholders	\$ 0.34	\$ (0.11)	\$ 0.45

(1) During the three and six months ended June 30, 2018, we recorded net losses on sales of businesses.

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See full reconciliation of adjusted non-GAAP diluted earnings per share on pages 18 and 19.

(Amounts in Millions, except per share amounts)



Cash Flow

	Three Months Ended June 30,	
	2018	2017
NET INCOME	\$ 147.8	\$ 107.6
OPERATING ACTIVITIES		
Depreciation & amortization	61.3	59.0
Deferred taxes	(10.2)	21.5
Net losses on sales of businesses	19.8	13.1
Other non-cash items	(0.9)	6.2
Change in working capital, net	(62.5)	5.1
Change in other non-current assets & liabilities	16.9	6.2
Net cash provided by operating activities	172.2	218.7
INVESTING ACTIVITIES		
Capital expenditures	(38.7)	(44.1)
Acquisitions, net of cash acquired	(8.3)	(9.3)
Other investing activities	12.5	(9.4)
Net cash used in investing activities	(34.5)	(62.8)
FINANCING ACTIVITIES		
Common stock dividends	(80.4)	(70.5)
Repurchases of common stock	(59.6)	(60.0)
Net decrease in short-term borrowings	(49.5)	(71.3)
Acquisition-related payments	(14.6)	(36.3)
Distributions to noncontrolling interests	(6.7)	(4.9)
Repayment of long-term debt	(4.7)	(23.6)
Tax payments for employee shares withheld	(1.7)	(1.1)
Exercise of stock options	0.1	3.6
Other financing activities	(0.1)	0.3
Net cash used in financing activities	(217.2)	(263.8)
Currency effect	(24.6)	(11.8)
Net decrease in cash, cash equivalents and restricted cash	\$ (104.1)	\$ (119.7)

Page 8

(\$ in Millions)



Balance Sheet – Current Portion

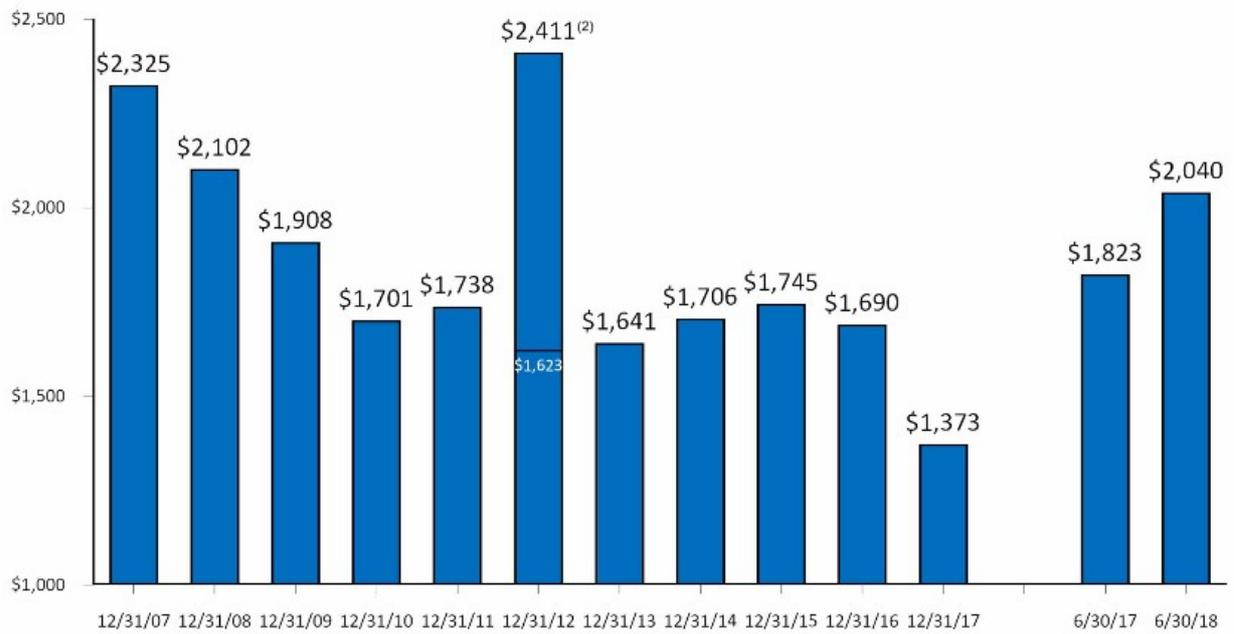
	June 30, 2018	December 31, 2017	June 30, 2017
CURRENT ASSETS:			
Cash and cash equivalents	\$ 493.2	\$ 790.9	\$ 657.6
Accounts receivable, net	4,247.7	4,585.0	3,762.2
Accounts receivable, billable to clients	1,945.8	1,747.4	1,720.9
Assets held for sale	19.6	5.7	19.7
Other current assets	439.3	346.5	362.5
Total current assets	\$ 7,145.6	\$ 7,475.5	\$ 6,522.9
CURRENT LIABILITIES:			
Accounts payable	\$ 5,738.8	\$ 6,420.2	\$ 5,338.9
Accrued liabilities	551.5	674.7	513.1
Contract liabilities	510.8	484.7	496.1
Short-term borrowings	757.6	84.9	237.7
Current portion of long-term debt ⁽¹⁾	0.1	2.0	301.7
Liabilities held for sale	26.5	8.8	21.7
Total current liabilities	\$ 7,585.3	\$ 7,675.3	\$ 6,909.2

Page 9 (1) Our 2.25% Senior Notes were repaid on November 15, 2017.

(\$ in Millions)



Total Debt (1)



(1) Includes current portion of long-term debt, short-term borrowings and long-term debt.

(2) Includes our November 2012 debt issuances of \$800 aggregate principal amount of Senior Notes, which pre-funded our plan to redeem a similar amount of debt in 2013.



Summary

- Strong Q2 & H1 revenue and margin
- Driving revenue growth from key strategic initiatives
 - Quality of our agency offerings, creative talent, media services, embedded and specialty digital
 - Effectiveness of "open architecture" solutions
 - Strength in data & analytics
- Focus on continued expense discipline and additional margin improvement
- Financial strength continues to be a source of value creation
 - Solid investment grade ratings across the board
 - Foundation to further enhance revenue and earnings growth



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Appendix



Operating Performance

	Six Months Ended June 30,	
	2018	2017
Net Revenue	\$ 3,722.2	\$ 3,509.9
Billable Expenses	838.7	739.7
Total Revenue	4,560.9	4,249.6
Salaries and Related Expenses	2,623.2	2,480.6
Office and Other Direct Expenses	657.1	631.1
Billable Expenses	838.7	739.7
Selling, General and Administrative Expenses	63.9	55.5
Depreciation and Amortization	90.0	82.3
Operating Income	288.0	260.4
Interest Expense, net	(37.3)	(36.7)
Other Expense, net	(40.7)	(14.6)
Income Before Income Taxes	210.0	209.1
Provision for Income Taxes	76.3	81.3
Equity in Net (Loss) Income of Unconsolidated Affiliates	(2.0)	1.1
Net Income	131.7	128.9
Net Loss Attributable to Noncontrolling Interests	—	3.5
Net Income Available to IPG Common Stockholders	\$ 131.7	\$ 132.4
Earnings per Share Available to IPG Common Stockholders - Basic	\$ 0.34	\$ 0.34
Earnings per Share Available to IPG Common Stockholders - Diluted	\$ 0.34	\$ 0.33
Weighted-Average Number of Common Shares Outstanding - Basic	383.5	392.0
Weighted-Average Number of Common Shares Outstanding - Diluted	388.9	399.6
Dividends Declared per Common Share	\$ 0.42	\$ 0.36

Cash Flow

	Six Months Ended June 30,	
	2018	2017
NET INCOME	\$ 131.7	\$ 128.9
OPERATING ACTIVITIES		
Depreciation & amortization	138.7	131.1
Deferred taxes	(31.0)	9.5
Net losses on sales of businesses	44.2	12.2
Other non-cash items	8.0	18.8
Change in working capital, net	(837.5)	(438.6)
Change in other non-current assets & liabilities	(11.8)	(15.0)
Net cash used in operating activities	(557.7)	(153.1)
INVESTING ACTIVITIES		
Capital expenditures	(61.5)	(68.9)
Acquisitions, net of cash acquired	(8.5)	(12.6)
Other investing activities	12.4	(14.5)
Net cash used in investing activities	(57.6)	(96.0)
FINANCING ACTIVITIES		
Net increase in short-term borrowings	669.3	153.5
Exercise of stock options	7.0	11.8
Common stock dividends	(161.2)	(141.4)
Repurchases of common stock	(114.5)	(115.0)
Tax payments for employee shares withheld	(28.0)	(37.8)
Acquisition-related payments	(16.0)	(36.3)
Distributions to noncontrolling interests	(10.6)	(10.9)
Repayment of long-term debt	(4.7)	(23.6)
Other financing activities	(0.3)	0.3
Net cash provided by (used in) financing activities	341.0	(199.4)
Currency effect	(27.5)	8.2
Net decrease in cash, cash equivalents and restricted cash	\$ (301.8)	\$ (440.3)

Depreciation and Amortization

	2018				
	Q1	Q2	Q3	Q4	YTD 2018
Depreciation and amortization of fixed assets and intangible assets	\$ 46.0	\$ 44.0			\$ 90.0
Amortization of restricted stock and other non-cash compensation	30.0	16.0			46.0
Net amortization of bond discounts and deferred financing costs	1.4	1.3			2.7

	2017				
	Q1	Q2	Q3	Q4	FY 2017
Depreciation and amortization of fixed assets and intangible assets	\$ 41.0	\$ 41.3	\$ 42.2	\$ 32.6	\$ 157.1
Amortization of restricted stock and other non-cash compensation	29.7	16.3	13.8	22.2	82.0
Net amortization of bond discounts and deferred financing costs	1.4	1.4	1.4	1.6	5.8

Reconciliation of Organic Net Revenue

Segment	Three Months Ended June 30, 2017	Components of Change			Three Months Ended June 30, 2018	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
IAN	\$ 1,534.0	\$ 19.4	\$ (16.8)	\$ 92.5	\$ 1,629.1	6.0%	6.2%
CMG	300.6	5.5	1.9	11.1	319.1	3.7%	6.2%
Total	\$ 1,834.6	\$ 24.9	\$ (14.9)	\$ 103.6	\$ 1,948.2	5.6%	6.2%
Geographic							
United States	\$ 1,127.6	\$ 0.0	\$ (8.5)	\$ 52.4	\$ 1,171.5	4.6%	3.9%
International	707.0	24.9	(6.4)	51.2	776.7	7.2%	9.9%
United Kingdom	141.7	10.4	2.8	20.8	175.7	14.7%	24.0%
Continental Europe	154.6	12.8	(6.8)	18.1	178.7	11.7%	15.6%
Asia Pacific	205.3	5.3	(0.2)	3.8	214.2	1.9%	4.3%
Latin America	85.7	(6.5)	(1.1)	3.9	82.0	4.6%	(4.3%)
All Other Markets	119.7	2.9	(1.1)	4.6	126.1	3.8%	5.3%
Worldwide	\$ 1,834.6	\$ 24.9	\$ (14.9)	\$ 103.6	\$ 1,948.2	5.6%	6.2%

Reconciliation of Organic Net Revenue

Segment	Six Months Ended June 30, 2017	Components of Change			Six Months Ended June 30, 2018	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
IAN	\$ 2,925.1	\$ 60.3	\$ (26.8)	\$ 151.8	\$ 3,110.4	5.2%	6.3%
CMG	584.8	14.1	0.2	12.7	611.8	2.2%	4.6%
Total	\$ 3,509.9	\$ 74.4	\$ (26.6)	\$ 164.5	\$ 3,722.2	4.7%	6.0%
Geographic							
United States	\$ 2,184.7	\$ 0.0	\$ (18.4)	\$ 97.5	\$ 2,263.8	4.5%	3.6%
International	1,325.2	74.4	(8.2)	67.0	1,458.4	5.1%	10.1%
United Kingdom	276.9	26.6	4.3	31.4	339.2	11.3%	22.5%
Continental Europe	295.5	33.2	(9.3)	18.0	337.4	6.1%	14.2%
Asia Pacific	379.0	14.6	(0.5)	(0.1)	393.0	0.0%	3.7%
Latin America	154.7	(7.6)	(2.4)	11.2	155.9	7.2%	0.8%
All Other Markets	219.1	7.6	(0.3)	6.5	232.9	3.0%	6.3%
Worldwide	\$ 3,509.9	\$ 74.4	\$ (26.6)	\$ 164.5	\$ 3,722.2	4.7%	6.0%

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018		
	As Reported	Net Losses on Sales of Businesses	Adjusted Results	As Reported	Net Losses on Sales of Businesses	Adjusted Results
Income Before Income Taxes	\$ 211.5	\$ (19.8)	\$ 231.3	\$ 210.0	\$ (44.2)	\$ 254.2
Provision for Income Taxes	63.6		63.6	76.3	0.4	76.7
Equity in Net Loss of Unconsolidated Affiliates	(0.1)		(0.1)	(2.0)		(2.0)
Net Income Attributable to Noncontrolling Interests	(2.0)		(2.0)	—		—
Net Income Available to IPG Common Stockholders	\$ 145.8	\$ (19.8)	\$ 165.6	\$ 131.7	\$ (43.8)	\$ 175.5
Weighted-Average Number of Common Shares Outstanding - Basic	383.6		383.6	383.5		383.5
Dilutive Effect of Stock Options and Restricted Shares	5.9		5.9	5.4		5.4
Weighted-Average Number of Common Shares Outstanding - Diluted	389.5		389.5	388.9		388.9
Earnings per Share Available to IPG Common Stockholders:						
Basic	\$ 0.38	\$ (0.05)	\$ 0.43	\$ 0.34	\$ (0.11)	\$ 0.46
Diluted	\$ 0.37	\$ (0.05)	\$ 0.43	\$ 0.34	\$ (0.11)	\$ 0.45

- (1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the net losses on sales of businesses, primarily from international markets. This amount includes losses on completed dispositions and the classification of certain assets as held for sale during 2018. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.



Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended June 30, 2017			Six Months Ended June 30, 2017		
	As Reported	Net Losses on Sales of Businesses	Adjusted Results	As Reported	Net Losses on Sales of Businesses	Adjusted Results
Income Before Income Taxes	\$ 189.3	\$ (13.1)	\$ 202.4	\$ 209.1	\$ (12.2)	\$ 221.3
Provision for Income Taxes	81.6		81.6	81.3		81.3
Equity in Net (Loss) Income of Unconsolidated Affiliates	(0.1)		(0.1)	1.1		1.1
Net Loss Attributable to Noncontrolling Interests	0.1		0.1	3.5		3.5
Net Income Available to IPG Common Stockholders	\$ 107.7	\$ (13.1)	\$ 120.8	\$ 132.4	\$ (12.2)	\$ 144.6
Weighted-Average Number of Common Shares Outstanding - Basic	392.3		392.3	392.0		392.0
Dilutive Effect of Stock Options and Restricted Shares	8.0		8.0	7.6		7.6
Weighted-Average Number of Common Shares Outstanding - Diluted	400.3		400.3	399.6		399.6
Earnings per Share Available to IPG Common Stockholders:						
Basic	\$ 0.27	\$ (0.03)	\$ 0.31	\$ 0.34	\$ (0.03)	\$ 0.37
Diluted	\$ 0.27	\$ (0.03)	\$ 0.30	\$ 0.33	\$ (0.03)	\$ 0.36

- (1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the net losses on sales of businesses, primarily from international markets. This amount includes losses on completed dispositions and the classification of certain assets as held for sale during 2017. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.





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Metrics Update

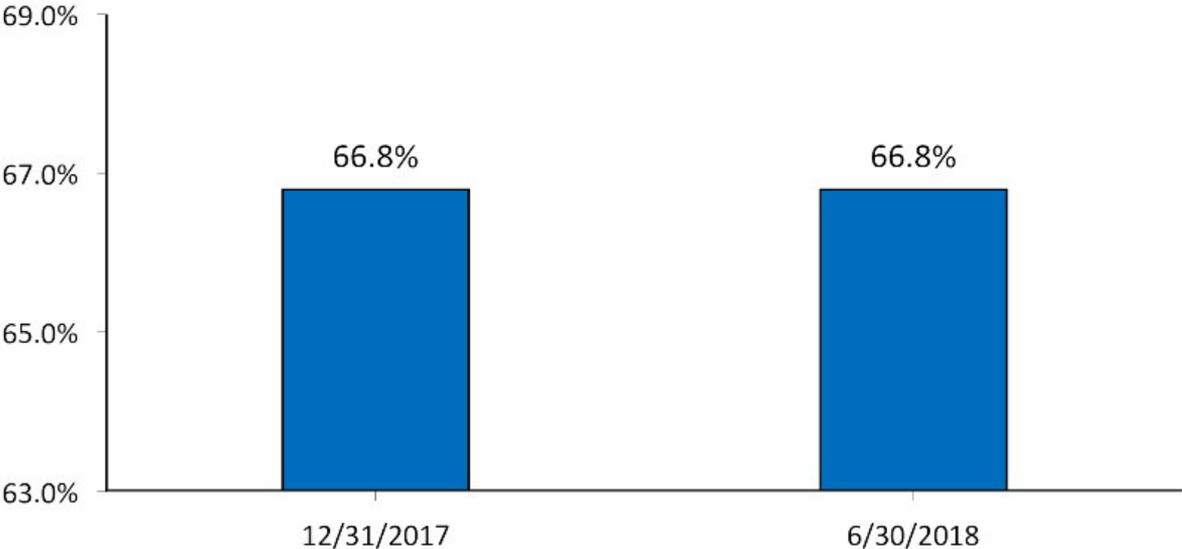


Metrics Update

Category	Metric
SALARIES & RELATED (% of net revenue)	Trailing Twelve Months Base, Benefits & Tax Incentive Expense Severance Expense Temporary Help
OFFICE & OTHER DIRECT (% of net revenue)	Trailing Twelve Months Occupancy Expense All Other Office and Other Direct Expenses
FINANCIAL	Available Liquidity \$1.5 Billion 5-Year Credit Facility Covenants

Salaries & Related Expenses

% of Net Revenue, Trailing Twelve Months



Salaries & Related Expenses (% of Net Revenue)

Three and Six Months Ended June 30

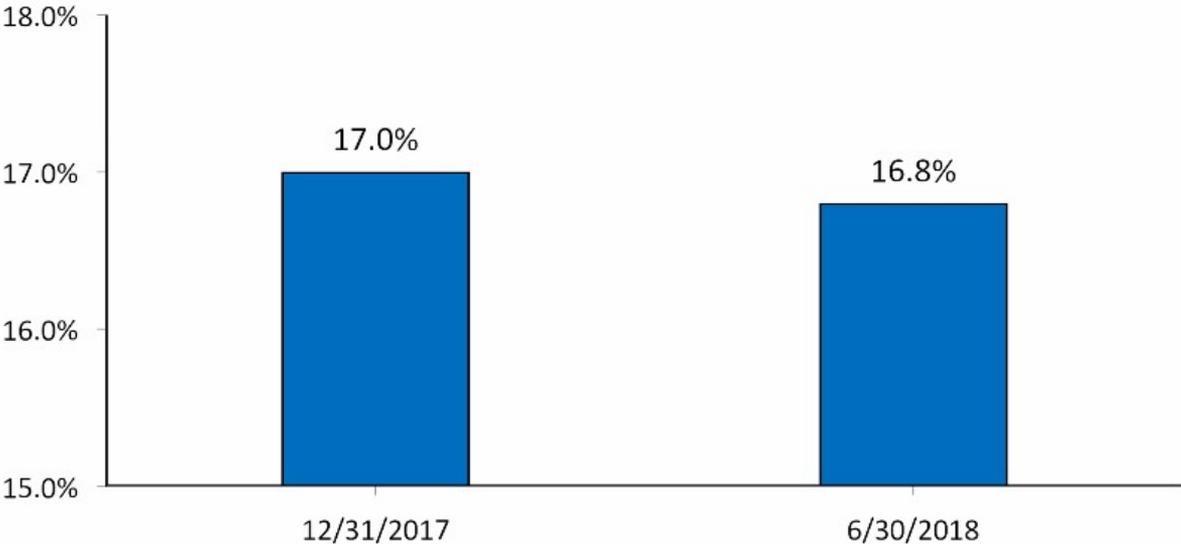


"All Other Salaries & Related," not shown, was 2.1% for the three months ended June 30, 2018 and 2017 and 2.1% for the six months ended June 30, 2018 and 2017.



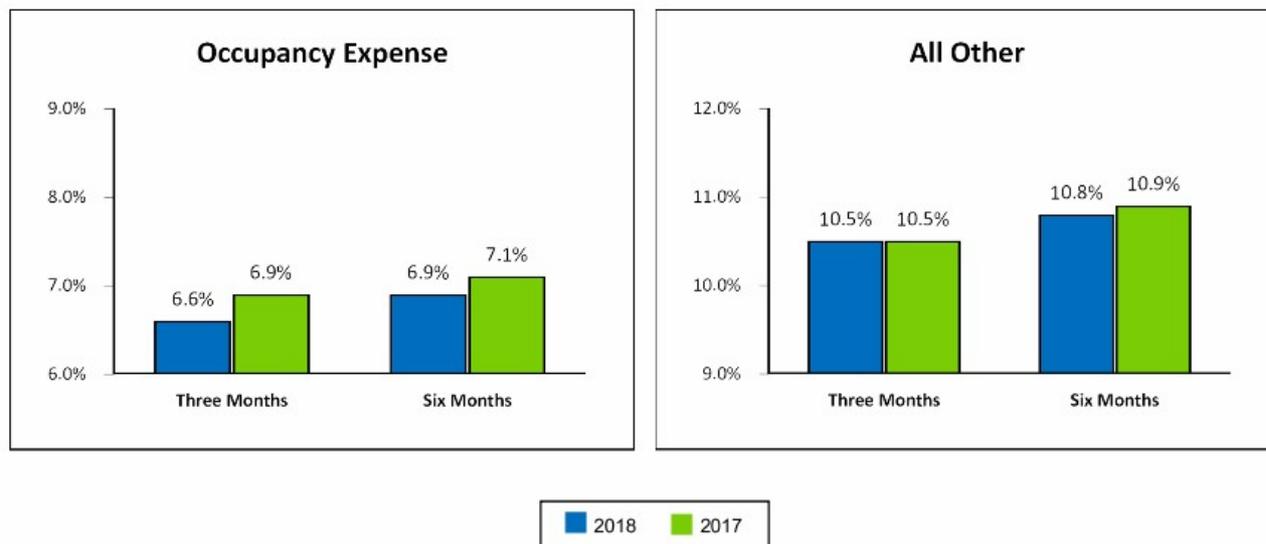
Office & Other Direct Expenses

% of Net Revenue, Trailing Twelve Months



Office & Other Direct Expenses (% of Net Revenue)

Three and Six Months Ended June 30



Page 25 "All Other" primarily includes production expenses, travel and entertainment, professional fees, spending to support new business activity, telecommunications, office supplies, bad debt expense, adjustments to contingent acquisition obligations, foreign currency losses (gains), long-lived asset impairments and other expenses



Available Liquidity

Cash, Cash Equivalents and Short-Term Marketable Securities + Available Committed Credit Facility



■ Cash, Cash Equivalents and Short-Term Marketable Securities ■ Available Committed Credit Facility

\$1.5 Billion 5-Year Credit Facility Covenants

Covenants	Last Twelve Months Ended June 30, 2018
I. Interest Coverage Ratio (not less than):	5.00x
Actual Interest Coverage Ratio:	16.55x
II. Leverage Ratio (not greater than):	3.50x
Actual Leverage Ratio:	1.67x
<u>Interest Expense Reconciliation</u>	Last Twelve Months Ended June 30, 2018
Interest Expense:	\$90.2
- Interest Income	18.2
- Other	(2.0)
Net Interest Expense ⁽¹⁾ :	\$74.0
<u>EBITDA Reconciliation</u>	Last Twelve Months Ended June 30, 2018
Operating Income:	\$966.0
+ Depreciation and Amortization ⁽¹⁾	258.9
EBITDA ⁽¹⁾ :	\$1,224.9

Page 27 (1) Calculated as defined in the Credit Agreement.

(\$ in Millions)



Cautionary Statement

This investor presentation contains forward-looking statements. Statements in this investor presentation that are not historical facts, including statements about management's beliefs and expectations, constitute 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 our most recent Annual Report on Form 10-K under Item 1A, Risk Factors, and our other filings with the Securities and Exchange Commission ("SEC"). Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

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 statement. Such factors include, but are not limited to, the following:

- potential effects of a challenging economy, for example, on the demand for our advertising and marketing services, on our clients' financial condition and on our business or financial condition;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with assumptions we make in connection with our critical accounting estimates, including changes in assumptions associated with any effects of a weakened economy;
- potential adverse effects if we are required to recognize impairment charges or other adverse accounting-related developments;
- risks associated with the effects of global, national and regional economic and political conditions, including counterparty risks and fluctuations in economic growth rates, interest rates and currency exchange rates; and
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world.

Investors should carefully consider these factors and the additional risk factors outlined in more detail in our most recent Annual Report on Form 10-K under Item 1A, Risk Factors, and our other SEC filings.

