

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): April 22, 2020



THE INTERPUBLIC GROUP OF COMPANIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-6686

(Commission File Number)

909 Third Avenue, New York, New York 10022
(Address of principal executive offices) (Zip Code)

(212)704-1200

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

13-1024020
(I.R.S. Employer
Identification No.)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	IPG	The New York Stock Exchange

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 April 22, 2020, 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 first quarter of 2020, (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 April 22, 2020 (furnished pursuant to Item 2.02)

[Exhibit 99.2](#): Investor presentation dated April 22, 2020 (furnished pursuant to Item 2.02)

Exhibit 104: Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document (included as Exhibit 101).

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: April 22, 2020

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Andrew Bonzani

Name: Andrew Bonzani

Title: Executive Vice President, General Counsel and Secretary



FOR IMMEDIATE RELEASE

New York, NY (April 22, 2020)

Interpublic Announces First Quarter 2020 Results

- *Reported net revenue of \$1.97 billion, a decrease of 1.6% from a year ago, with organic net revenue growth of 0.3%*
- *In seasonally small quarter, net income was \$4.7 million compared with a loss of \$8.0 million a year ago, with EBITA of \$97.2 million and EBITA margin of 4.9%*
- *First quarter diluted EPS was \$0.01 and \$0.11 as adjusted*
- *Management highlights strategic and operating strengths, exceptional talent base, deep financial resources, and flexible cost model, amid macroeconomic and marketing uncertainty due to COVID-19 pandemic*

Summary:

Revenue

- First quarter 2020 net revenue decreased 1.6% to \$1.97 billion, compared to \$2.00 billion in the first quarter of 2019. During the quarter, the organic net revenue increase was 0.3%, while the effect of foreign currency translation was negative 1.0%, and the impact of net dispositions was negative 0.9%. First quarter 2020 total revenue remained flat at \$2.36 billion compared to the same period in 2019.

Operating Results

- Operating income in the first quarter of 2020 was \$75.9 million, compared to \$50.2 million in 2019. EBITA was \$97.2 million in the first quarter of 2020 compared to adjusted EBITA of \$103.6 million in the prior-year period, which excludes restructuring charges of \$31.8 million. EBITA margin on net revenue was 4.9%, compared to adjusted EBITA margin of 5.2% in 2019.
- Refer to reconciliations on page 8 for more detail.

Net Results

- Income tax provision in the first quarter of 2020 was \$17.2 million on income before income taxes of \$20.0 million.
- First quarter 2020 net income available to IPG common stockholders was \$4.7 million, resulting in earnings of \$0.01 per basic and diluted share. Adjusted earnings were \$0.11 per diluted share as adjusted for after-tax amortization of acquired intangibles of \$17.1 million and an after-tax loss of \$22.4 million on the sales of businesses. This compares to adjusted earnings of \$0.11 per diluted share a year ago.

[Interpublic Group](#) 909 Third Avenue New York, NY 10022 212-704-1200 tel 212-704-1201 fax

- Refer to reconciliations on pages 7 and 9 for more detail.

“It goes without saying that uncertainty and anxiety as a result of the devastating COVID-19 pandemic have generated significant challenges. Our top priority continues to be the safety and well-being of our people, as well as fully supporting our clients and communities. It’s too early to predict the duration and extent of macroeconomic pressure on marketers and our business, but it is heartening to see that our talented workforce has proven adept and comfortable at leveraging technology and collaborating virtually to continue to work effectively. Unfortunately our solid results in the first quarter cannot be indicative of the remainder of the year. Our performance, however, is an indication of the competitiveness and the strength of our offerings and our people. With more than 95% of our employees working from home, we continue to serve our clients around the globe, generate great ideas across all marketing disciplines and channels, and move the business forward,” commented Michael Roth, Chairman and CEO of IPG.

“Over a period of many years, our management team has demonstrated that we have the financial and management talent, tools, and business model, to successfully navigate through difficult times. Our company’s balance sheet and liquidity are strong, and were further enhanced when we proactively accessed the capital markets a few weeks ago. As always, we remain committed to the high level of transparency that you have come to expect from this team, and look forward to returning to our strong trajectory of organic revenue and profit growth once the macro situation stabilizes and a recovery begins to take hold. We are thankful for the continued close partnership with our clients, and proud of our employees around the world and how they have come together during these exceptional times,” added Mr. Roth.

Operating Results

Revenue

Net revenue of \$1.97 billion in the first quarter of 2020 decreased 1.6% compared with the same period in 2019. During the quarter, the effect of foreign currency translation was negative 1.0%, the impact of net dispositions was negative 0.9%, and the resulting organic net revenue increase was 0.3%. Total revenue, which includes billable expenses, of \$2.36 billion remained flat in the first quarter of 2020 compared with the same period in 2019.

Operating Expenses

The overall decrease in our operating expenses of 3.0%, excluding billable expenses and amortization of acquired intangibles, exceeded the decrease in net revenue of 1.6%. Excluding restructuring expense from the first quarter of 2019, our net operating expenses decreased 1.4%.

During the first quarter of 2020, salaries and related expenses of \$1.42 billion remained flat compared to the same period in 2019.

Staff cost ratio, which is total salaries and related expenses as a percentage of net revenue, was 72.1% in the first quarter of 2020 compared to 70.9% in the same period in 2019, primarily driven by increases in base salaries, benefits and tax, severance expense and temporary help expense, which were offset by lower incentive expense.

During the first quarter of 2020, office and other direct expenses were \$378.2 million, a decrease of 2.8% compared to the same period in 2019.

Office and other direct expenses decreased as a percentage of net revenue to 19.2% in the first quarter of 2020 compared to 19.4% a year ago, primarily due to decreases in travel and entertainment expenses and professional consulting fees as well as lower client service costs, partially offset by an increase in bad debt expense.

Selling, general and administrative expenses decreased as a percentage of net revenue to 1.1% in the first quarter of 2020 compared to 2.1% a year ago, primarily attributable to lower incentive expense.

Depreciation and amortization as a percentage of net revenue was 3.7% in the first quarter of 2020 compared to 3.5% in the same period in 2019.

During the first quarter of 2019, restructuring charges were \$31.8 million due to the implementation of a cost initiative to better align our cost structure with our revenue.

Non-Operating Results and Tax

Net interest expense decreased by \$7.9 million to \$34.1 million in the first quarter of 2020 from a year ago.

Other expense, net was \$21.8 million, which primarily included the losses of \$23.3 million on sales of certain small, non-strategic businesses.

The income tax provision in the first quarter of 2020 was \$17.2 million on income before income taxes of \$20.0 million, compared to a provision of \$10.5 million on income before income taxes of \$1.3 million in the same period in 2019.

Balance Sheet

At March 31, 2020, cash and cash equivalents totaled \$1.55 billion, compared to \$1.19 billion at December 31, 2019 and \$630.5 million on March 31, 2019. Total debt was \$4.22 billion at March 31, 2020, compared to \$3.33 billion at December 31, 2019. On March 30, 2020, we issued \$650.0 million in aggregate principal amount of senior notes for general corporate purposes, which may include the repayment of our senior notes due in 2020 and 2021.

Common Stock Dividend

During the first quarter of 2020, the company declared and paid a common stock cash dividend of \$0.255 per share, for a total of \$100.0 million.

For further information regarding the Company's financial results as well as certain non-GAAP measures including organic net revenue growth, EBITA, adjusted EBITA and earnings per diluted share as adjusted, and the reconciliations thereof, please refer to pages 7 to 9 and our Investor Presentation filed on Form 8-K herewith and available on our website, www.interpublic.com.

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About Interpublic

Interpublic is values-based, data-fueled, and creatively-driven. Major global brands include Acxiom, Craft, FCB (Foote, Cone & Belding), FutureBrand, Golin, Huge, Initiative, Jack Morton, Kinesso, MAGNA, McCann, Mediahub, iMomentum, MRM, 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;
- the outbreak of the novel coronavirus ("COVID-19"), including the measures to reduce its spread, and the impact on the economy and demand for our services, which may precipitate or exacerbate other risks and uncertainties;
- 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;
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world; and
- failure to realize the anticipated benefits on the acquisition of the Acxiom business.

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
FIRST QUARTER REPORT 2020 AND 2019
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three Months Ended March 31,		
	2020	2019	Fav. (Unfav.) % Variance
Revenue:			
Net Revenue	\$ 1,972.1	\$ 2,004.8	(1.6)%
Billable Expenses	387.7	356.4	8.8 %
Total Revenue	2,359.8	2,361.2	(0.1)%
Operating Expenses:			
Salaries and Related Expenses	1,422.8	1,421.1	(0.1)%
Office and Other Direct Expenses	378.2	389.2	2.8 %
Billable Expenses	387.7	356.4	(8.8)%
Cost of Services	2,188.7	2,166.7	(1.0)%
Selling, General and Administrative Expenses	22.4	41.4	45.9 %
Depreciation and Amortization	72.8	71.1	(2.4)%
Restructuring Charges	—	31.8	N/A
Total Operating Expenses	2,283.9	2,311.0	1.2 %
Operating Income	75.9	50.2	51.2 %
Expenses and Other Income:			
Interest Expense	(44.8)	(49.8)	
Interest Income	10.7	7.8	
Other Expense, Net	(21.8)	(6.9)	
Total (Expenses) and Other Income	(55.9)	(48.9)	
Income Before Income Taxes	20.0	1.3	
Provision for Income Taxes	17.2	10.5	
Income (Loss) of Consolidated Companies	2.8	(9.2)	
Equity in Net Loss of Unconsolidated Affiliates	(0.2)	(0.3)	
Net Income (Loss)	2.6	(9.5)	
Net Loss Attributable to Noncontrolling Interests	2.1	1.5	
Net Income (Loss) Available to IPG Common Stockholders	\$ 4.7	\$ (8.0)	
Earnings (Loss) Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.01	\$ (0.02)	
Diluted	\$ 0.01	\$ (0.02)	
Weighted-Average Number of Common Shares Outstanding:			
Basic	387.7	384.5	
Diluted	391.7	384.5	
Dividends Declared Per Common Share	\$ 0.255	\$ 0.235	

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

	Three Months Ended March 31, 2020			
	As Reported	Amortization of Acquired Intangibles	Net Losses on Sales of Businesses ¹	Adjusted Results
Net Revenue	\$ 1,972.1			\$ 1,972.1
Billable Expenses	387.7			387.7
Total Revenue	2,359.8			2,359.8
Cost of Services	2,188.7			2,188.7
Selling, General and Administrative Expenses	22.4			22.4
Depreciation and Amortization	72.8	\$ 21.3		51.5
Total Operating Expense	2,283.9	21.3		2,262.6
Operating Income	75.9	(21.3)		97.2
Interest Expense, Net	(34.1)			(34.1)
Other Expense, Net	(21.8)		\$ (23.3)	1.5
Total (Expenses) and Other Income	(55.9)		(23.3)	(32.6)
Income Before Income Taxes	20.0	(21.3)	(23.3)	64.6
Provision for Income Taxes	17.2	4.2	0.9	22.3
Equity in Net Loss of Unconsolidated Affiliates	(0.2)			(0.2)
Net Loss Attributable to Noncontrolling Interests	2.1			2.1
Net Income Available to IPG Common Stockholders	\$ 4.7	\$ (17.1)	\$ (22.4)	\$ 44.2
Weighted-Average Number of Common Shares Outstanding - Basic	387.7			387.7
Dilutive effect of stock options and restricted shares	4.0			4.0
Weighted-Average Number of Common Shares Outstanding - Diluted	391.7			391.7
Earnings per Share Available to IPG Common Stockholders:				
Basic	\$ 0.01	\$ (0.04)	\$ (0.06)	\$ 0.11
Diluted	\$ 0.01	\$ (0.04)	\$ (0.06)	\$ 0.11

¹ Includes losses on complete dispositions of businesses and the classification of certain assets as 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)
(UNAUDITED)

	Three Months Ended March 31,	
	2020	2019
Net Revenue	\$ 1,972.1	\$ 2,004.8
EBITA Reconciliation:		
Net Income (Loss) Available to IPG Common Stockholders	\$ 4.7	\$ (8.0)
Add Back:		
Provision for Income Taxes	17.2	10.5
Subtract:		
Total (Expenses) and Other Income	(55.9)	(48.9)
Equity in Net Loss of Unconsolidated Affiliates	(0.2)	(0.3)
Net Loss Attributable to Noncontrolling Interests	2.1	1.5
Operating Income	75.9	50.2
Add Back:		
Amortization of Acquired Intangibles	21.3	21.6
EBITA	\$ 97.2	\$ 71.8
<i>EBITA Margin on Net Revenue %</i>	<i>4.9%</i>	<i>3.6%</i>
Restructuring Charges	—	31.8
Adjusted EBITA	\$ 97.2	\$ 103.6
<i>Adjusted EBITA Margin on Net Revenue %</i>	<i>4.9%</i>	<i>5.2%</i>

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 March 31, 2019									
		As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses ¹				Adjusted Results
Net Revenue	\$	2,004.8							\$ 2,004.8
Billable Expenses		356.4							356.4
Total Revenue		2,361.2							2,361.2
Cost of Services		2,166.7							2,166.7
Selling, General, and Administrative Expenses		41.4							41.4
Depreciation and Amortization		71.1	\$ 21.6						49.5
Restructuring Charges		31.8		\$ 31.8					—
Total Operating Expense		2,311.0	21.6	31.8					2,257.6
Operating Income		50.2	(21.6)	(31.8)					103.6
Interest Expense, Net		(42.0)							(42.0)
Other Expense, Net		(6.9)			\$ (8.6)				1.7
Total (Expenses) and Other Income		(48.9)			(8.6)				(40.3)
Income Before Income Taxes		1.3	(21.6)	(31.8)	(8.6)				63.3
Provision for Income Taxes		10.5	4.2	7.6	—				22.3
Equity in Net Loss of Unconsolidated Affiliates		(0.3)							(0.3)
Net Loss Attributable to Noncontrolling Interests		1.5							1.5
Net (Loss) Income Available to IPG Common Stockholders	\$	(8.0)	\$ (17.4)	\$ (24.2)	\$ (8.6)	\$	(8.6)	\$	42.2
Weighted-Average Number of Common Shares Outstanding - Basic		384.5							384.5
Dilutive effect of stock options and restricted shares		N/A							4.4
Weighted-Average Number of Common Shares Outstanding - Diluted		384.5							388.9
(Loss) Earnings per Share Available to IPG Common Stockholders:									
Basic	\$	(0.02)	\$ (0.05)	\$ (0.06)	\$ (0.02)	\$	(0.02)	\$	0.11
Diluted	\$	(0.02)	\$ (0.05)	\$ (0.06)	\$ (0.02)	\$	(0.02)	\$	0.11

¹ Includes losses on complete dispositions of businesses and the classification of certain assets as 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.



FIRST QUARTER 2020
EARNINGS CONFERENCE CALL

Interpublic Group
April 22, 2020

Overview — First Quarter 2020

- Net revenue change was -1.6%, and organic growth of net revenue was +0.3%
 - U.S. organic growth was +0.8%
 - International organic change was negative -0.7%
- In seasonally small quarter, net income was \$4.7 million compared with a loss of \$8.0 million a year ago, with EBITA of \$97.2 million and EBITA margin of 4.9%
- Diluted EPS was \$0.01 and was \$0.11 as adjusted, flat with \$0.11 as adjusted a year ago
- Initiated comprehensive response to COVID-19 crisis
- Issued \$650 million 4.75% senior notes maturing in 2030 and entered into additional \$500 million credit facility

Organic growth refers exclusively to the organic change of net revenue. EBITA is calculated as net income (loss) available to IPG common stockholders before provision for incomes taxes, total (expenses) and other income, equity in net loss of unconsolidated affiliates, net loss attributable to noncontrolling interests and amortization of acquired intangibles. Adjusted diluted EPS is adjusted for amortization of acquired intangibles and sales of businesses in addition to restructuring charges in 2019. See reconciliation of organic net revenue change on page 14 and adjusted non-GAAP reconciliations on pages 15-17.

Operating Performance

	Three Months Ended March 31,	
	2020	2019
Net Revenue	\$ 1,972.1	\$ 2,004.8
Billable Expenses	387.7	356.4
Total Revenue	2,359.8	2,361.2
Salaries and Related Expenses	1,422.8	1,421.1
Office and Other Direct Expenses	378.2	389.2
Billable Expenses	387.7	356.4
Cost of Services	2,188.7	2,166.7
Selling, General and Administrative Expenses	22.4	41.4
Depreciation and Amortization	72.8	71.1
Restructuring Charges	0.0	31.8
Operating Income	75.9	50.2
Interest Expense, net	(34.1)	(42.0)
Other Expense, net	(21.8)	(6.9)
Income Before Income Taxes	20.0	1.3
Provision for Income Taxes	17.2	10.5
Equity in Net Loss of Unconsolidated Affiliates	(0.2)	(0.3)
Net Income (Loss)	2.6	(9.5)
Net Loss Attributable to Noncontrolling Interests	2.1	1.5
Net Income (Loss) Available to IPG Common Stockholders	\$ 4.7	\$ (8.0)
Income (Loss) per Share Available to IPG Common Stockholders - Basic	\$ 0.01	\$ (0.02)
Income (Loss) per Share Available to IPG Common Stockholders - Diluted	\$ 0.01	\$ (0.02)
Weighted-Average Number of Common Shares Outstanding - Basic	387.7	384.5
Weighted-Average Number of Common Shares Outstanding - Diluted	391.7	384.5
Dividends Declared per Common Share	\$ 0.255	\$ 0.235

(\$ in Millions, except per share amounts)

Interpublic Group of Companies, Inc. 3

Net Revenue

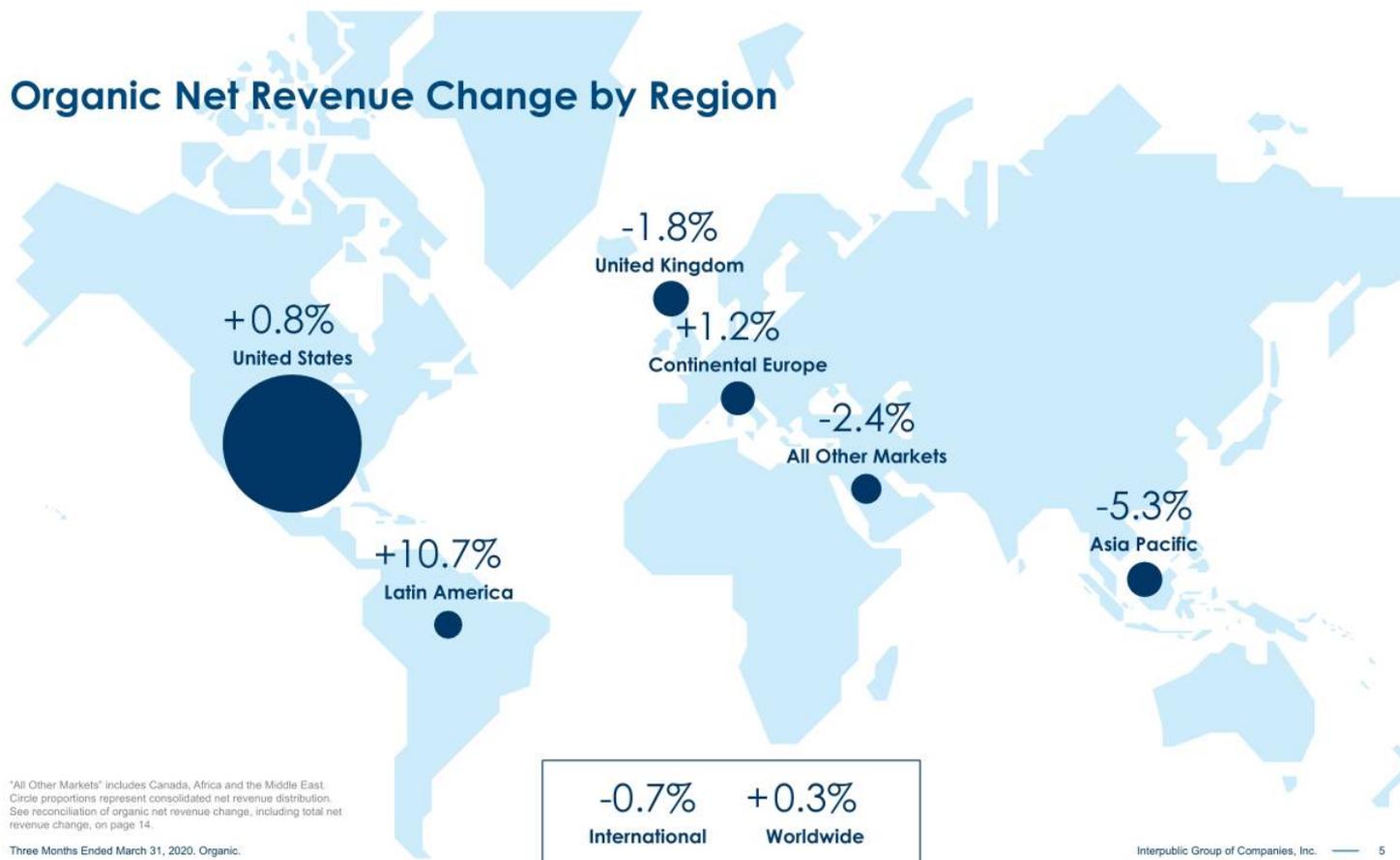
	Three Months Ended	
	\$	% Change
March 31, 2019	\$ 2,004.8	
Foreign currency	(20.6)	(1.0%)
Net acquisitions/(divestitures)	(17.5)	(0.9%)
Organic	5.4	0.3%
Total change	(32.7)	(1.6%)
March 31, 2020	\$ 1,972.1	

	Three Months Ended March 31,			
			Change	
	2020	2019 ⁽¹⁾	Organic	Total
IAN	\$ 1,664.5	\$ 1,706.1	(0.3%)	(2.4%)
CMG	\$ 307.6	\$ 298.7	3.7%	3.0%

⁽¹⁾ Results for March 31, 2019 have been recast to conform to the current-period presentation. See reconciliation of segment organic net revenue change on page 14.

(\$ in Millions)

Organic Net Revenue Change by Region

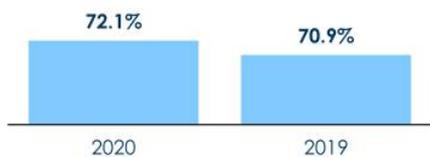


All Other Markets includes Canada, Africa and the Middle East.
 Circle proportions represent consolidated net revenue distribution.
 See reconciliation of organic net revenue change, including total net revenue change, on page 14.

Three Months Ended March 31, 2020. Organic.

Operating Expenses % of Net Revenue

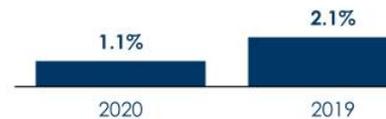
Salaries & Related



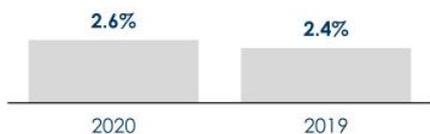
Office & Other Direct



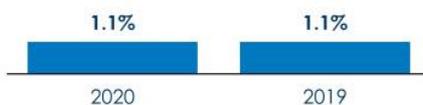
Selling, General & Administrative



Depreciation & Amortization ⁽¹⁾



Amortization of Acquired Intangibles



Restructuring Charges



⁽¹⁾ Excludes amortization of acquired intangibles.

Adjusted Diluted Earnings Per Share

Three Months Ended March 31, 2020

	As Reported	Amortization of Acquired Intangibles	Net Losses on Sales of Businesses	Adjusted Results
Operating Income and EBITA	\$ 75.9	\$ (21.3)		\$ 97.2
Total (Expenses) and Other Income	(55.9)		\$ (23.3)	(32.6)
Income Before Income Taxes	20.0	(21.3)	(23.3)	64.6
Provision for Income Taxes	17.2	4.2	0.9	22.3
Equity in Net Loss of Unconsolidated Affiliates	(0.2)			(0.2)
Net Loss Attributable to Noncontrolling Interests	2.1			2.1
DILUTED EPS COMPONENTS:				
Net Earnings Available to IPG Common Stockholders	\$ 4.7	\$ (17.1)	\$ (22.4)	\$ 44.2
Weighted-Average Number of Common Shares Outstanding	391.7			391.7
Earnings per Share Available to IPG Common Stockholders	\$ 0.01	\$ (0.04)	\$ (0.06)	\$ 0.11

See full reconciliation of adjusted non-GAAP diluted earnings per share on page 15.

(\$ in Millions, except per share amounts)

Interpublic Group of Companies, Inc. 7

Cash Flow

		Three Months Ended March 31,	
		2020	2019
Net Income (Loss)		\$ 2.6	\$ (9.5)
OPERATING ACTIVITIES:			
	Depreciation & amortization	98.3	101.6
	Deferred taxes	(11.2)	(31.0)
	Net losses on sales of businesses	23.3	8.6
	Other non-cash items	23.8	16.5
	Change in working capital, net	(371.6)	(165.8)
	Change in other non-current assets & liabilities	(42.3)	(13.9)
	Net cash used in Operating Activities	(277.1)	(93.5)
INVESTING ACTIVITIES:			
	Capital expenditures	(44.6)	(32.8)
	Acquisitions, net of cash acquired	(1.3)	0.0
	Other investing activities	(14.9)	2.1
	Net cash used in Investing Activities	(60.8)	(30.7)
FINANCING ACTIVITIES:			
	Proceeds from long-term debt	646.2	0.0
	Net increase in short-term borrowings	247.8	201.0
	Exercise of stock options	0.0	0.6
	Common stock dividends	(100.0)	(90.6)
	Tax payments for employee shares withheld	(19.1)	(21.2)
	Acquisition-related payments	(18.6)	0.0
	Distributions to noncontrolling interests	(5.6)	(2.5)
	Other financing activities	(6.3)	(0.6)
	Net cash provided by Financing Activities	744.4	86.7
	Currency effect	(46.7)	(6.4)
Net increase (decrease) in cash, cash equivalents and restricted cash		\$ 359.8	\$ (43.9)

(\$ in Millions)

Interpublic Group of Companies, Inc. 8

Balance Sheet — Current Portion

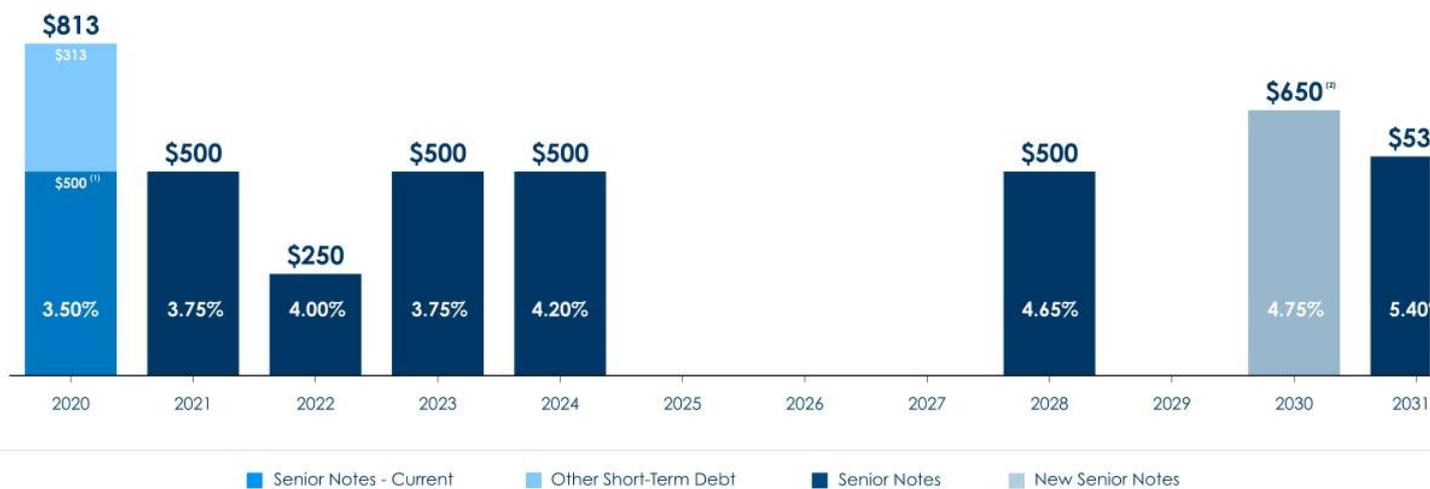
	March 31, 2020	December 31, 2019	March 31, 2019
CURRENT ASSETS:			
Cash and cash equivalents	\$ 1,554.0	\$ 1,192.2	\$ 630.5
Accounts receivable, net	3,661.5	5,209.2	4,027.5
Accounts receivable, billable to clients	1,914.0	1,934.1	2,077.4
Assets held for sale	17.4	22.8	19.7
Other current assets	449.8	412.4	491.9
Total current assets	\$ 7,596.7	\$ 8,770.7	\$ 7,247.0
CURRENT LIABILITIES:			
Accounts payable	\$ 5,559.5	\$ 7,205.4	\$ 5,733.7
Accrued liabilities	539.5	742.8	663.6
Contract liabilities	571.5	585.6	575.9
Short-term borrowings	310.1	52.4	272.4
Current portion of long-term debt	502.5	502.0	0.1
Liabilities held for sale	55.4	65.0	22.4
Current portion of operating leases	257.4	267.2	263.0
Total current liabilities	\$ 7,795.9	\$ 9,420.4	\$ 7,531.1

(\$ in Millions)

Interpublic Group of Companies, Inc. — 9

Debt Maturity Schedule

Total Debt = \$4.2 billion



⁽¹⁾ Senior Notes due on October 1, 2020.

⁽²⁾ On March 30, 2020, we issued a total of \$650 in aggregate principal amount of unsecured senior notes due March 30, 2030. Senior Notes shown at face value on March 31, 2020.

(\$ in Millions)

Summary

- Intense focus on navigating the impact of COVID-19
- Foundation for sustained value creation in top talent, strong agency brands and key strategic initiatives
 - Quality of our agency offerings
 - Integrated digital and digital specialists
 - "Open architecture" solutions
 - Data management at scale
- Effective expense management an ongoing priority
- Financial strength an ongoing source of value creation



Appendix

Depreciation and Amortization

	2020				YTD 2020
	Q1	Q2	Q3	Q4	
Depreciation and amortization ⁽¹⁾	\$ 51.5				\$ 51.5
Amortization of acquired intangibles	21.3				21.3
Amortization of restricted stock and other non-cash compensation	23.2				23.2
Net amortization of bond discounts and deferred financing costs	2.3				2.3

	2019				FY 2019
	Q1	Q2	Q3	Q4	
Depreciation and amortization ⁽¹⁾	\$ 49.5	\$ 51.7	\$ 47.3	\$ 44.0	\$ 192.5
Amortization of acquired intangibles	21.6	21.3	21.7	21.4	86.0
Amortization of restricted stock and other non-cash compensation	28.2	15.9	14.2	21.9	80.2
Net amortization of bond discounts and deferred financing costs	2.3	2.3	2.4	2.3	9.3

⁽¹⁾ Excludes amortization of acquired intangibles.

(\$ in Millions)

Reconciliation of Organic Net Revenue

		Components of Change				Three Months Ended March 31, 2020	Change	
		Three Months Ended March 31, 2019	Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
SEGMENT:	IAN ⁽¹⁾	\$ 1,706.1	\$ (18.6)	\$ (17.4)	\$ (5.6)	\$ 1,664.5	(0.3%)	(2.4%)
	CMG ⁽¹⁾	298.7	(2.0)	(0.1)	11.0	307.6	3.7%	3.0%
	Total	\$ 2,004.8	\$ (20.6)	\$ (17.5)	\$ 5.4	\$ 1,972.1	0.3%	(1.6%)
GEOGRAPHIC:	United States	\$ 1,314.1	\$ 0.0	\$ (4.0)	\$ 9.9	\$ 1,320.0	0.8%	0.4%
	International	690.7	(20.6)	(13.5)	(4.5)	652.1	(0.7%)	(5.6%)
	United Kingdom	170.3	(1.6)	0.0	(3.0)	165.7	(1.8%)	(2.7%)
	Continental Europe	156.8	(5.1)	(7.6)	1.9	146.0	1.2%	(6.9%)
	Asia Pacific	178.0	(4.0)	(5.7)	(9.5)	158.8	(5.3%)	(10.8%)
	Latin America	80.3	(9.6)	0.0	8.6	79.3	10.7%	(1.2%)
	All Other Markets	105.3	(0.3)	(0.2)	(2.5)	102.3	(2.4%)	(2.8%)
	Worldwide	\$ 2,004.8	\$ (20.6)	\$ (17.5)	\$ 5.4	\$ 1,972.1	0.3%	(1.6%)

⁽¹⁾ Results for March 31, 2019 have been recast to conform to the current-period presentation.

(\$ in Millions)

Interpublic Group of Companies, Inc. 14

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended March 31, 2020			
	As Reported	Amortization of Acquired Intangibles	Net Losses on Sales of Businesses	Adjusted Results
Operating Income and EBITA	\$ 75.9	\$ (21.3)		\$ 97.2
Total (Expenses) and Other Income	(55.9)		\$ (23.3)	(32.6)
Income Before Income Taxes	20.0	(21.3)	(23.3)	64.6
Provision for Income Taxes	17.2	4.2	0.9	22.3
Equity in Net Loss of Unconsolidated Affiliates	(0.2)			(0.2)
Net Loss Attributable to Noncontrolling Interests	2.1			2.1
Net Income Available to IPG Common Stockholders	\$ 4.7	\$ (17.1)	\$ (22.4)	\$ 44.2
Weighted-Average Number of Common Shares Outstanding - Basic	387.7			387.7
Dilutive effect of stock options and restricted shares	4.0			4.0
Weighted-Average Number of Common Shares Outstanding - Diluted	391.7			391.7
Earnings per Share Available to IPG Common Stockholders:				
Basic	\$ 0.01	\$ (0.04)	\$ (0.06)	\$ 0.11
Diluted	\$ 0.01	\$ (0.04)	\$ (0.06)	\$ 0.11

⁽¹⁾ The table reconciles our reported results to our adjusted non-GAAP results. 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.

(\$ in Millions, except per share amounts)

Interpublic Group of Companies, Inc. 15

Reconciliation of Adjusted Results ⁽¹⁾

Three Months Ended March 31, 2019

	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Adjusted Results
Operating Income and Adjusted EBITA	\$ 50.2	\$ (21.6)	\$ (31.8)		\$ 103.6
Total (Expenses) and Other Income	(48.9)			\$ (8.6)	(40.3)
Income Before Income Taxes	1.3	(21.6)	(31.8)	(8.6)	63.3
Provision for Income Taxes	10.5	4.2	7.6	0.0	22.3
Equity in Net Loss of Unconsolidated Affiliates	(0.3)				(0.3)
Net Loss Attributable to Noncontrolling Interests	1.5				1.5
Net (Loss) Income Available to IPG Common Stockholders	\$ (8.0)	\$ (17.4)	\$ (24.2)	\$ (8.6)	\$ 42.2
Weighted-Average Number of Common Shares Outstanding - Basic	384.5				384.5
Dilutive effect of stock options and restricted shares		N/A			4.4
Weighted-Average Number of Common Shares Outstanding - Diluted	384.5				388.9
(Loss) Earnings per Share Available to IPG Common Stockholders:					
Basic	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.02)	\$ 0.11
Diluted	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.02)	\$ 0.11

⁽¹⁾ The table reconciles our reported results to our adjusted non-GAAP results. 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.

(\$ in Millions, except per share amounts)

Interpublic Group of Companies, Inc. 16

Adjusted EBITA Reconciliation ⁽¹⁾

	Three Months Ended March 31,	
	2020	2019
Net Revenue	\$ 1,972.1	\$ 2,004.8
Non-GAAP Reconciliation:		
Net Income (Loss) Available to IPG Common Stockholders	\$ 4.7	\$ (8.0)
Add Back:		
Provision for Income Taxes	17.2	10.5
Subtract:		
Total (Expenses) and Other Income	(55.9)	(48.9)
Equity in Net Loss of Unconsolidated Affiliates	(0.2)	(0.3)
Net Loss Attributable to Noncontrolling Interests	2.1	1.5
Operating Income	\$ 75.9	\$ 50.2
Add Back:		
Amortization of Acquired Intangibles	21.3	21.6
EBITA	\$ 97.2	\$ 71.8
EBITA Margin on Net Revenue %	4.9%	3.6%
Restructuring Charges	\$ —	\$ 31.8
Adjusted EBITA	\$ 97.2	\$ 103.6
Adjusted EBITA Margin on Net Revenue %	4.9%	5.2%

⁽¹⁾ The table reconciles our reported results to our adjusted non-GAAP results. 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.

(\$ in Millions)

Interpublic Group of Companies, Inc. 17



Metrics Update

Metrics Update

CATEGORY:	SALARIES & RELATED (% of net revenue)	OFFICE & OTHER DIRECT (% of net revenue)	FINANCIAL
METRIC:	Trailing Twelve Months	Trailing Twelve Months	Available Liquidity
	Base, Benefits & Tax	Occupancy Expense	Credit Facilities Covenant
	Incentive Expense	All Other Office and Other Direct Expenses	
	Severance Expense		
	Temporary Help		

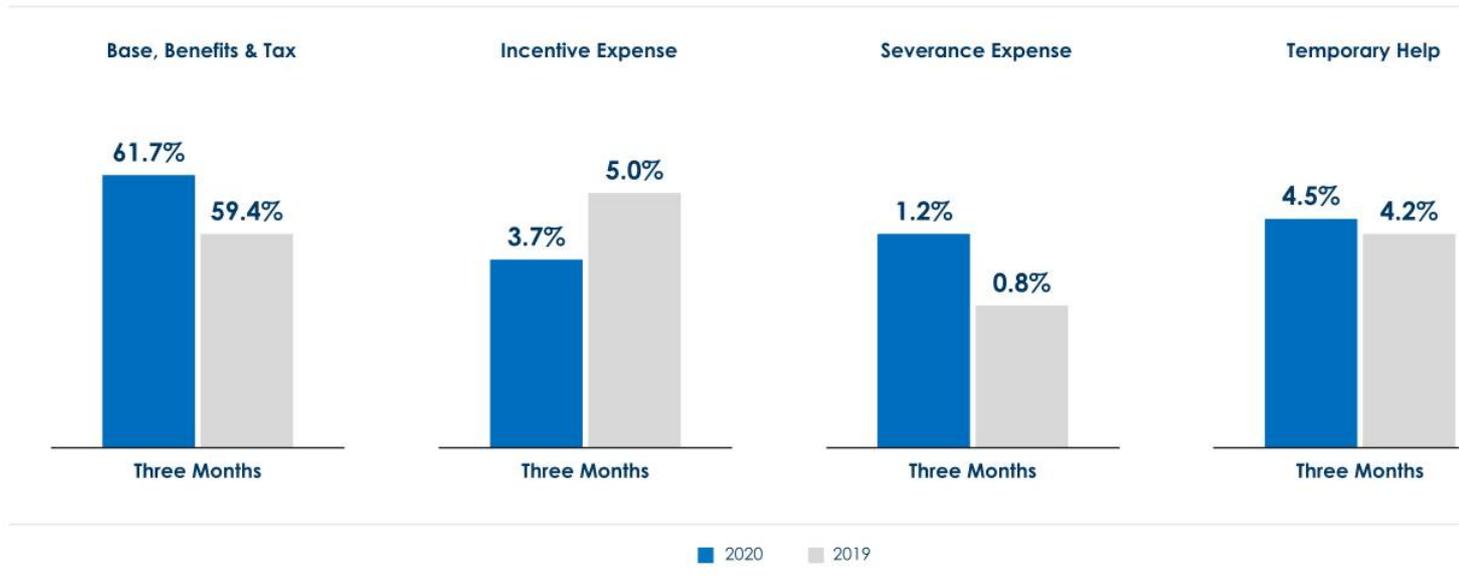
Salaries & Related Expenses

% of Net Revenue, Trailing Twelve Months



Salaries & Related Expenses (% of Net Revenue)

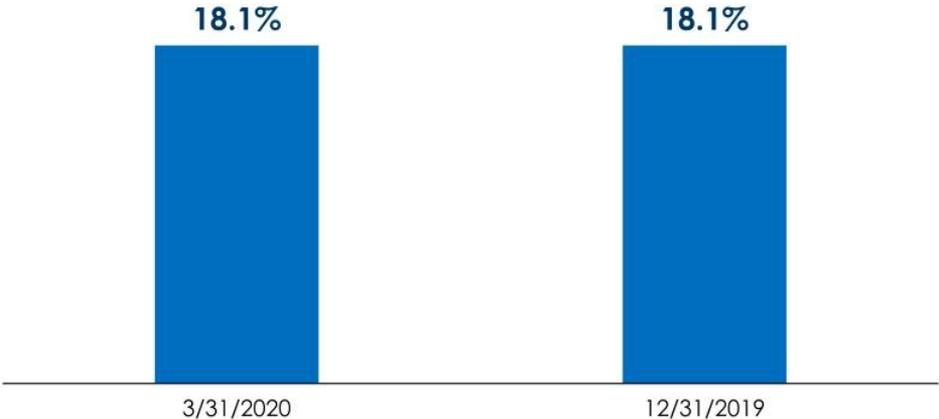
Three Months Ended March 31



"All Other Salaries & Related," not shown, was 1.0% and 1.5% for the three months ended March 31, 2020 and 2019, respectively. Certain information for the prior period has been recast to conform to the current-period presentation.

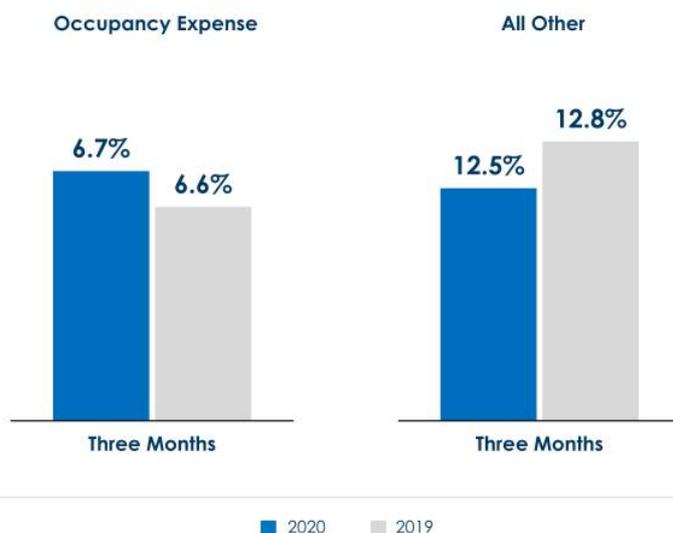
Office & Other Direct Expenses

% of Net Revenue, Trailing Twelve Months



Office & Other Direct Expenses (% of Net Revenue)

Three Months Ended March 31



All Other primarily includes client service costs, non-pass through 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 + Available Committed Credit Facilities



⁽¹⁾ In March 2020, we entered into an agreement for a 364-day revolving credit facility.
⁽²⁾ Includes net proceeds from our March 2020 debt issuance of \$650 aggregate principal amount of Senior Notes.

(\$ in Millions)

Credit Facilities Covenant ⁽¹⁾

Covenants	Last Twelve Months Ended March 31, 2020
I. Leverage Ratio (not greater than)	3.75x
Actual Leverage Ratio	2.86x

EBITDA RECONCILIATION:	Last Twelve Months Ended March 31, 2020
Operating Income	\$ 1,111.7
+ Depreciation and Amortization	366.5
EBITDA:	\$ 1,478.2

⁽¹⁾ The leverage ratio financial covenant applies to both our committed corporate credit facility, amended and restated as of November 1, 2019, and our 364-day credit facility entered into on March 27, 2020.

(\$ 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;
- the outbreak of the novel coronavirus ("COVID-19"), including the measures to reduce its spread, and the impact on the economy and demand for our services, which may precipitate or exacerbate other risks and uncertainties;
- 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;
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world; and
- failure to realize the anticipated benefits on the acquisition of the Acxiom business

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.

