



SECOND QUARTER 2020
EARNINGS CONFERENCE CALL

Interpublic Group
July 29, 2020

Overview — Second Quarter 2020

- Net revenue change was -12.8%, and organic change of net revenue was -9.9%, amid COVID-19 macroeconomic disruption
 - U.S. organic change was -8.0%
 - International organic change was -13.1%
- Net loss as reported was -\$45.6 million, with adjusted EBITA of \$174.9 million before restructuring charges
- Adjusted EBITA margin on net revenue was 9.4% before restructuring charges
- Charges of \$112.6 million targeted to structurally lower operating expense base by \$80-90 million
- Diluted loss per share was \$0.12, and adjusted diluted EPS was \$0.23 excluding restructuring charges and other items
- Balance sheet and liquidity remain strong with \$3.1 billion of total available liquidity

"Organic growth" refers exclusively to the organic change of net revenue. Adjusted EBITA before Restructuring Charges is calculated as net (loss) income available to IPG common stockholders before provision for income taxes, total (expenses) and other income, equity in net loss of unconsolidated affiliates, net (income) loss attributable to noncontrolling interests, amortization of acquired intangibles and restructuring charges from the second quarter of 2020 and first quarter of 2019. Adjusted diluted EPS is adjusted for amortization of acquired intangibles, restructuring charges, net sales of businesses and a discrete tax item. See reconciliation of organic net revenue change on pages 20-21 and non-GAAP reconciliation of adjusted results on pages 22-26.

Operating Performance

	Three Months Ended June 30,	
	2020	2019
Net Revenue	\$ 1,853.4	\$ 2,125.9
Billable Expenses	172.3	394.3
Total Revenue	2,025.7	2,520.2
Salaries and Related Expenses	1,306.1	1,381.2
Office and Other Direct Expenses	317.0	387.3
Billable Expenses	172.3	394.3
Cost of Services	1,795.4	2,162.8
Selling, General and Administrative Expenses	4.1	18.1
Depreciation and Amortization	73.1	73.0
Restructuring Charges	112.6	2.1
Operating Income	40.5	264.2
Interest Expense, net	(43.9)	(43.9)
Other Expense, net	(21.5)	(3.8)
(Loss) Income Before Income Taxes	(24.9)	216.5
Provision for Income Taxes	19.0	43.6
Equity in Net Loss of Unconsolidated Affiliates	0.0	(0.1)
Net (Loss) Income	(43.9)	172.8
Net Income Attributable to Noncontrolling Interests	(1.7)	(3.3)
Net (Loss) Income Available to IPG Common Stockholders	\$ (45.6)	\$ 169.5
(Loss) Income per Share Available to IPG Common Stockholders - Basic	\$ (0.12)	\$ 0.44
(Loss) Income per Share Available to IPG Common Stockholders - Diluted	\$ (0.12)	\$ 0.43
Weighted-Average Number of Common Shares Outstanding - Basic	389.4	386.2
Weighted-Average Number of Common Shares Outstanding - Diluted	389.4	391.2
Dividends Declared per Common Share	\$ 0.255	\$ 0.235

(\$ in Millions, except per share amounts)

Net Revenue

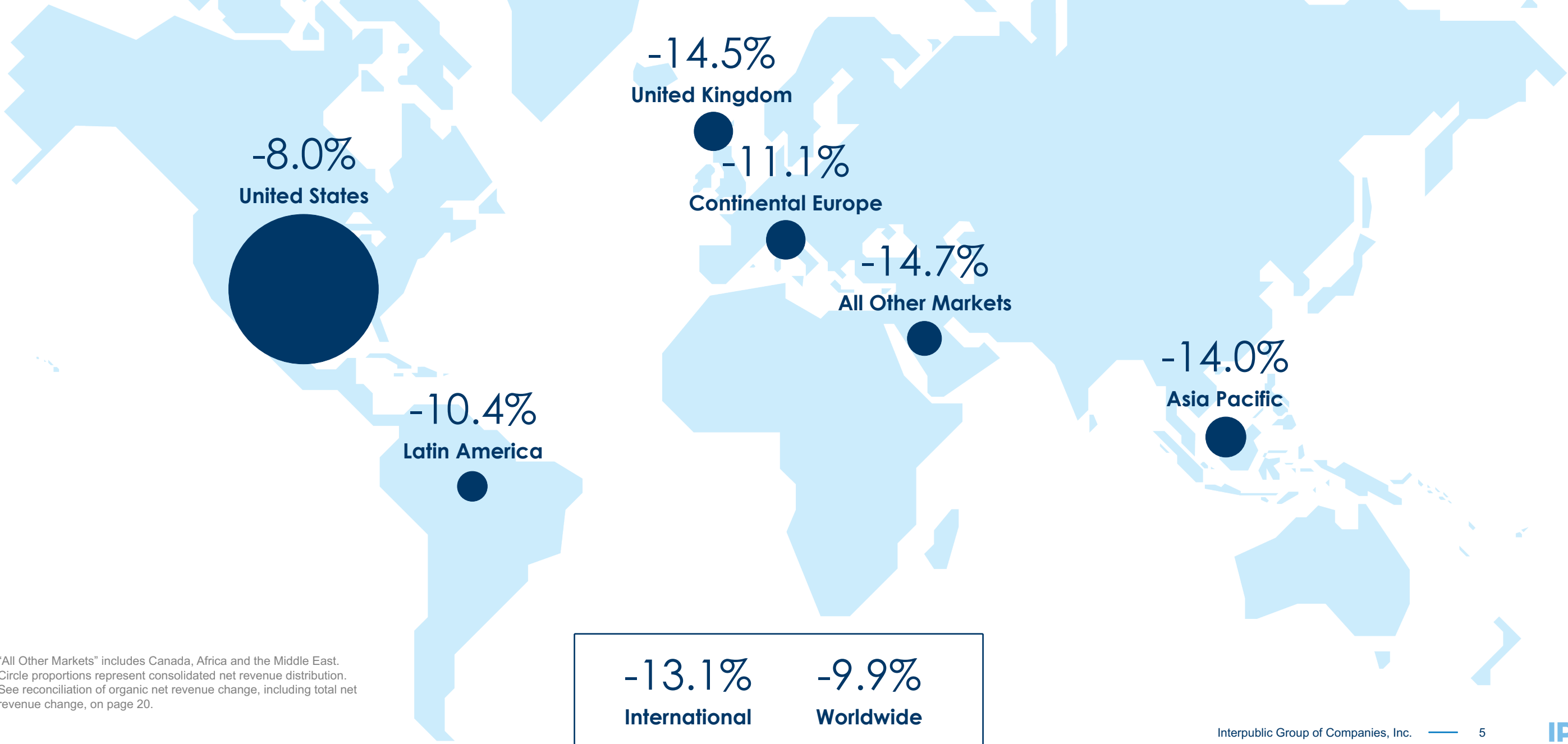
	Three Months Ended		Six Months Ended	
	\$	% Change	\$	% Change
June 30, 2019	\$ 2,125.9		\$ 4,130.7	
Foreign currency	(44.8)	(2.1%)	(65.4)	(1.6%)
Net acquisitions/(divestitures)	(17.8)	(0.8%)	(35.3)	(0.8%)
Organic	(209.9)	(9.9%)	(204.5)	(5.0%)
Total change	(272.5)	(12.8%)	(305.2)	(7.4%)
June 30, 2020	\$ 1,853.4		\$ 3,825.5	

	Three Months Ended June 30,				Six Months Ended June 30,			
			Change				Change	
	2020	2019 ⁽¹⁾	Organic	Total	2020	2019 ⁽¹⁾	Organic	Total
IAN	\$ 1,585.7	\$ 1,801.1	(8.8%)	(12.0%)	\$ 3,250.2	\$ 3,507.2	(4.7%)	(7.3%)
CMG	\$ 267.7	\$ 324.8	(15.6%)	(17.6%)	\$ 575.3	\$ 623.5	(6.4%)	(7.7%)

⁽¹⁾ Results for the three months and six months ended June 30, 2019 have been recast to conform to the current-period presentation. See reconciliation of segment organic net revenue change on pages 20-21.

Organic Net Revenue Change by Region

Three Months Ended June 30, 2020

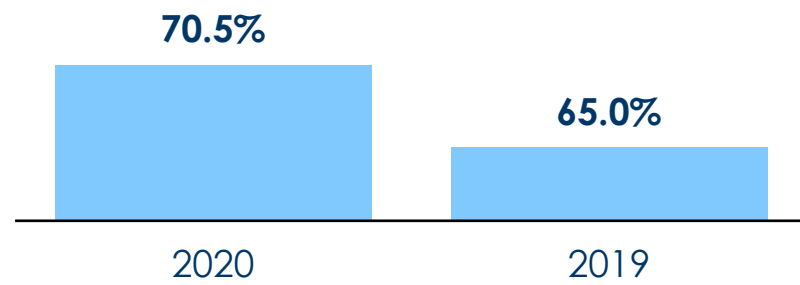


"All Other Markets" includes Canada, Africa and the Middle East.
Circle proportions represent consolidated net revenue distribution.
See reconciliation of organic net revenue change, including total net revenue change, on page 20.

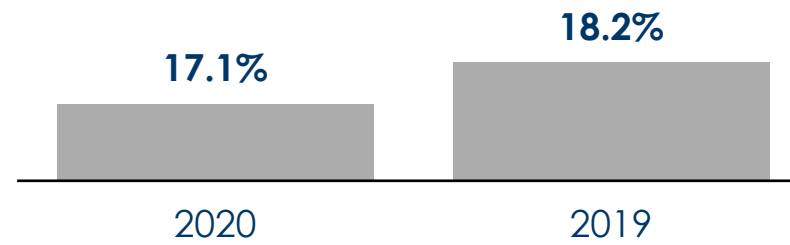
Operating Expenses % of Net Revenue

Three Months Ended June 30

Salaries & Related



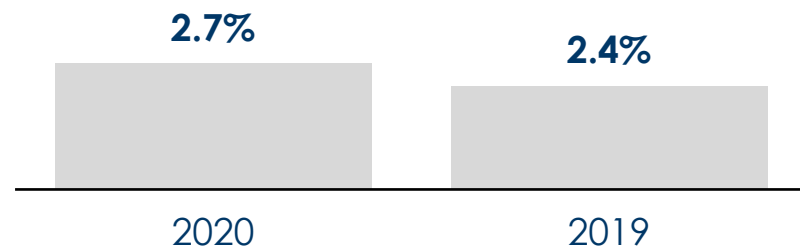
Office & Other Direct



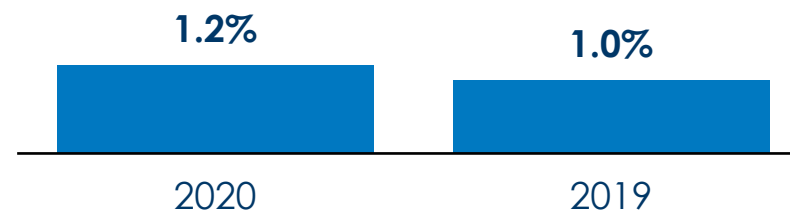
Selling, General & Administrative



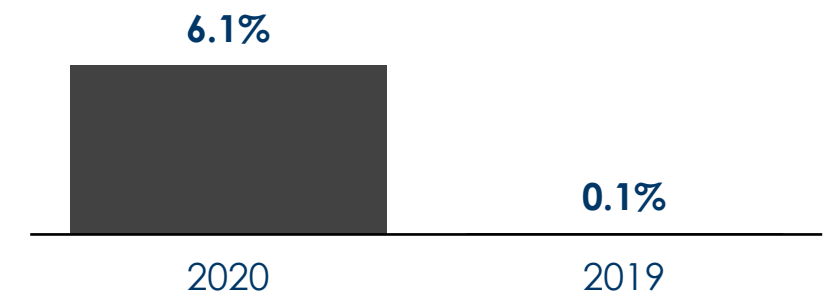
Depreciation & Amortization ⁽¹⁾



Amortization of Acquired Intangibles



Restructuring Charges



⁽¹⁾ Excludes amortization of acquired intangibles.

2020 Review of Operating Expenses

- Extensive review of operating expenses identified structural cost reduction opportunities
- Restructuring charges of \$113 million in 2Q-20 address salaries and real estate expense
 - Non-cash component is \$68 million
- Expected annualized expense savings of \$80-\$90 million from 2Q actions
- Plan additional 2H-2020 restructuring charges in range of \$90-\$110 million

Adjusted Diluted Earnings Per Share

Three Months Ended June 30, 2020

	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Discrete Tax Item ⁽¹⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽²⁾	\$ 40.5	\$ (21.8)	\$ (112.6)			\$ 174.9
Total (Expenses) and Other Income ⁽³⁾	(65.4)			\$ (19.9)		(45.5)
(Loss) Income Before Income Taxes	(24.9)	(21.8)	(112.6)	(19.9)		129.4
Provision for Income Taxes	19.0	4.2	25.4	0.0	\$ (10.0)	38.6
Equity in Net Loss of Unconsolidated Affiliates	0.0					0.0
Net Income Attributable to Noncontrolling Interests	(1.7)					(1.7)
DILUTED EPS COMPONENTS:						
Net (Loss) Income Available to IPG Common Stockholders	\$ (45.6)	\$ (17.6)	\$ (87.2)	\$ (19.9)	\$ (10.0)	\$ 89.1
Weighted-Average Number of Common Shares Outstanding	389.4					392.3
(Loss) Earnings per Share Available to IPG Common Stockholders	\$ (0.12)	\$ (0.05)	\$ (0.22)	\$ (0.05)	\$ (0.03)	\$ 0.23

⁽¹⁾ Consists of tax expense related to the estimated costs associated with our change in assertion (APB 23) that we will no longer permanently reinvest undistributed earnings attributable to certain foreign subsidiaries.

⁽²⁾ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on slide 24.

⁽³⁾ Consists of non-operating expenses including net interest expense and other (expense) income.

See full non-GAAP reconciliation of adjusted diluted earnings per share on page 22.

(\$ in Millions, except per share amounts)

Adjusted Diluted Earnings Per Share

	Six Months Ended June 30, 2020					
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Discrete Tax Item ⁽¹⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽²⁾	\$ 116.4	\$ (43.1)	\$ (112.6)			\$ 272.1
Total (Expenses) and Other Income ⁽³⁾	(121.3)			\$ (43.2)		(78.1)
(Loss) Income Before Income Taxes	(4.9)	(43.1)	(112.6)	(43.2)		194.0
Provision for Income Taxes	36.2	8.4	25.4	0.9	\$ (10.0)	60.9
Equity in Net Loss of Unconsolidated Affiliates	(0.2)					(0.2)
Net Loss Attributable to Noncontrolling Interests	0.4					0.4
DILUTED EPS COMPONENTS:						
Net (Loss) Income Available to IPG Common Stockholders	\$ (40.9)	\$ (34.7)	\$ (87.2)	\$ (42.3)	\$ (10.0)	\$ 133.3
Weighted-Average Number of Common Shares Outstanding	388.5					391.8
(Loss) Earnings per Share Available to IPG Common Stockholders	\$ (0.11)	\$ (0.09)	\$ (0.22)	\$ (0.11)	\$ (0.03)	\$ 0.34

⁽¹⁾ Consists of tax expense related to the estimated costs associated with our change in assertion (APB 23) that we will no longer permanently reinvest undistributed earnings attributable to certain foreign subsidiaries.

⁽²⁾ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on slide 24.

⁽³⁾ Consists of non-operating expenses including net interest expense and other (expense) income.

See full non-GAAP reconciliation of adjusted diluted earnings per share on page 23.

(\$ in Millions, except per share amounts)

Cash Flow

		Three Months Ended June 30,	
		2020	2019
Net (Loss) Income		\$ (43.9)	\$ 172.8
OPERATING ACTIVITIES:	Depreciation & amortization	88.7	91.2
	Deferred taxes	(9.9)	28.0
	Net losses on sales of businesses	19.9	3.2
	Non-cash restructuring charges	67.6	0.0
	Other non-cash items	27.2	(7.8)
	Change in working capital, net	(264.9)	52.7
	Change in other non-current assets & liabilities	28.2	(47.6)
	Net cash (used in) provided by Operating Activities	(87.1)	292.5
INVESTING ACTIVITIES:	Capital expenditures	(27.3)	(47.3)
	Acquisitions, net of cash acquired	(1.2)	(0.6)
	Other investing activities	(4.0)	0.7
	Net cash used in Investing Activities	(32.5)	(47.2)
FINANCING ACTIVITIES:	Net decrease in short-term borrowings	(245.3)	(68.7)
	Common stock dividends	(99.2)	(90.8)
	Acquisition-related payments	(13.7)	(13.0)
	Distributions to noncontrolling interests	(3.8)	(5.6)
	Tax payments for employee shares withheld	(2.7)	(0.8)
	Repayment of long-term debt	(0.1)	(100.1)
	Other financing activities	(1.9)	0.6
	Net cash used in Financing Activities	(366.7)	(278.4)
	Currency effect	17.8	16.7
Net decrease in cash, cash equivalents and restricted cash		\$ (468.5)	\$ (16.4)

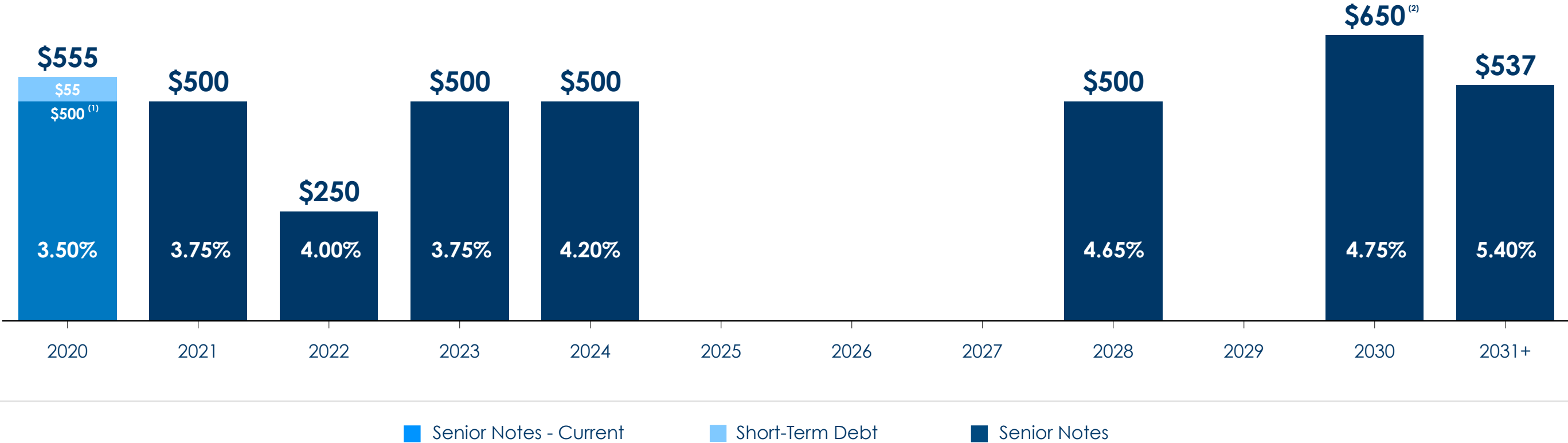
Balance Sheet — Current Portion

	June 30, 2020	December 31, 2019	June 30, 2019
CURRENT ASSETS:			
Cash and cash equivalents	\$ 1,085.4	\$ 1,192.2	\$ 614.0
Accounts receivable, net	3,146.6	5,209.2	4,389.5
Accounts receivable, billable to clients	1,463.7	1,934.1	1,977.6
Assets held for sale	26.6	22.8	26.4
Other current assets	492.0	412.4	467.9
Total current assets	\$ 6,214.3	\$ 8,770.7	\$ 7,475.4
CURRENT LIABILITIES:			
Accounts payable	\$ 4,328.1	\$ 7,205.4	\$ 6,022.3
Accrued liabilities	599.3	742.8	626.4
Contract liabilities	557.6	585.6	585.2
Short-term borrowings	51.9	52.4	207.1
Current portion of long-term debt	503.0	502.0	0.3
Current portion of operating leases	258.5	267.2	261.0
Liabilities held for sale	68.1	65.0	29.0
Total current liabilities	\$ 6,366.5	\$ 9,420.4	\$ 7,731.3

(\$ in Millions)

Debt Maturity Schedule

Total Debt = \$4.0 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 June 30, 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
- Continued investment in our leading talent, tools and services
- Effective expense management an ongoing priority
- Financial strength an ongoing source of value creation



Appendix

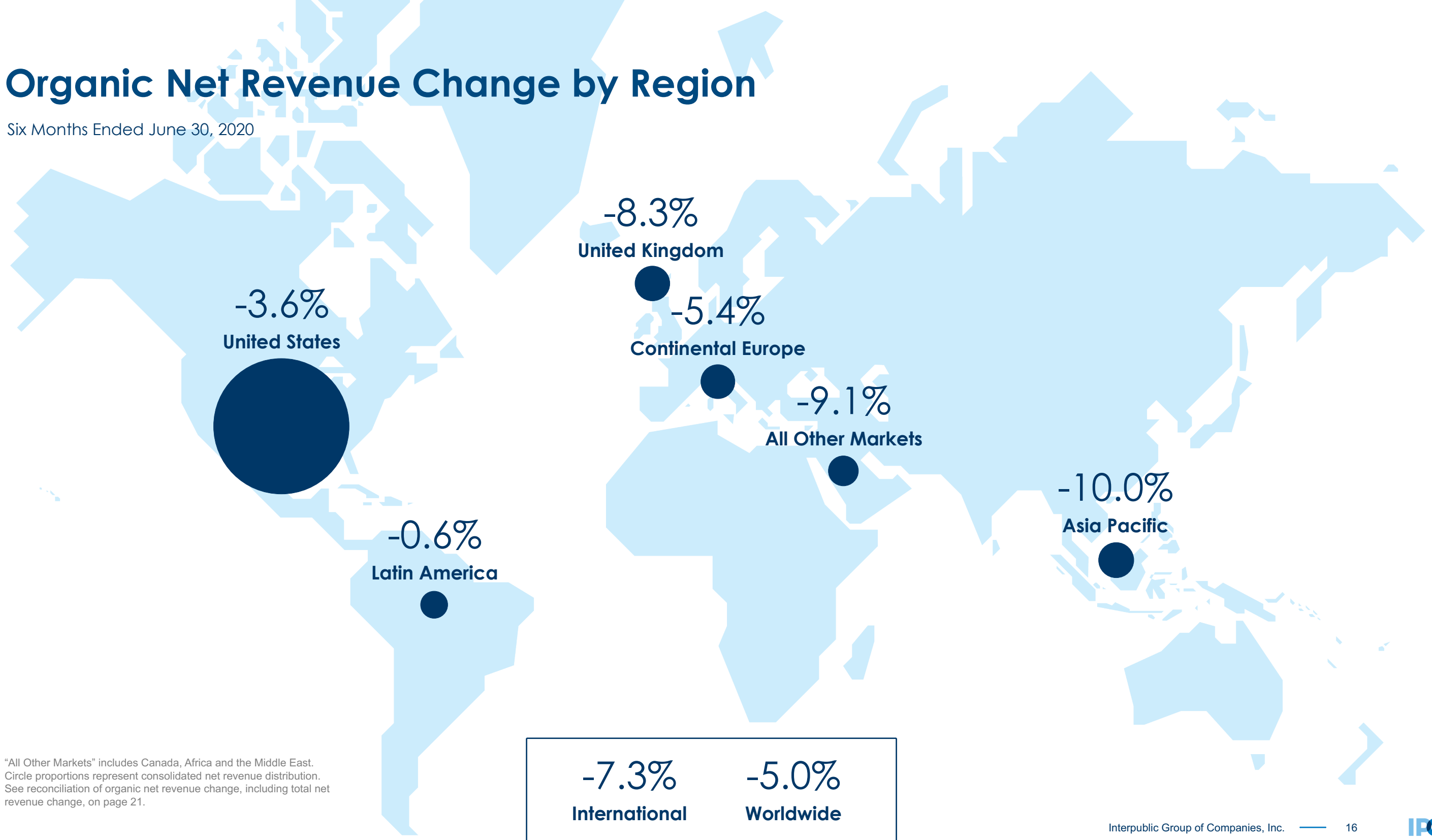
Operating Performance

	Six Months Ended June 30,	
	2020	2019
Net Revenue	\$ 3,825.5	\$ 4,130.7
Billable Expenses	560.0	750.7
Total Revenue	4,385.5	4,881.4
Salaries and Related Expenses	2,728.9	2,802.3
Office and Other Direct Expenses	695.2	776.5
Billable Expenses	560.0	750.7
Cost of Services	3,984.1	4,329.5
Selling, General and Administrative Expenses	26.5	59.5
Depreciation and Amortization	145.9	144.1
Restructuring Charges ⁽¹⁾	112.6	33.9
Operating Income	116.4	314.4
Interest Expense, net	(78.0)	(85.9)
Other Expense, net	(43.3)	(10.7)
(Loss) Income Before Income Taxes	(4.9)	217.8
Provision for Income Taxes	36.2	54.1
Equity in Net Loss of Unconsolidated Affiliates	(0.2)	(0.4)
Net (Loss) Income	(41.3)	163.3
Net Loss (Income) Attributable to Noncontrolling Interests	0.4	(1.8)
Net (Loss) Income Available to IPG Common Stockholders	\$ (40.9)	\$ 161.5
(Loss) Income per Share Available to IPG Common Stockholders - Basic	\$ (0.11)	\$ 0.42
(Loss) Income per Share Available to IPG Common Stockholders - Diluted	\$ (0.11)	\$ 0.41
Weighted-Average Number of Common Shares Outstanding - Basic	388.5	385.4
Weighted-Average Number of Common Shares Outstanding - Diluted	388.5	390.1
Dividends Declared per Common Share	\$ 0.510	\$ 0.470

(\$ in Millions, except per share amounts)

Organic Net Revenue Change by Region

Six Months Ended June 30, 2020

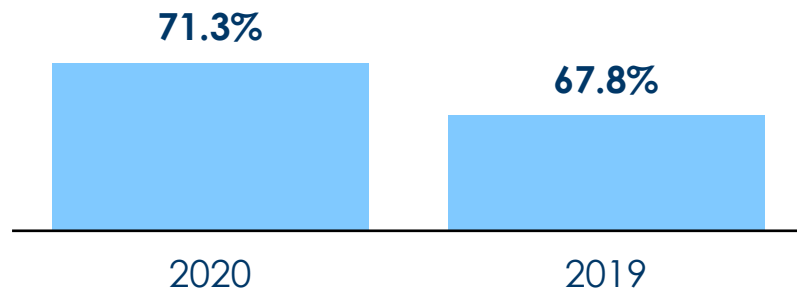


"All Other Markets" includes Canada, Africa and the Middle East.
Circle proportions represent consolidated net revenue distribution.
See reconciliation of organic net revenue change, including total net revenue change, on page 21.

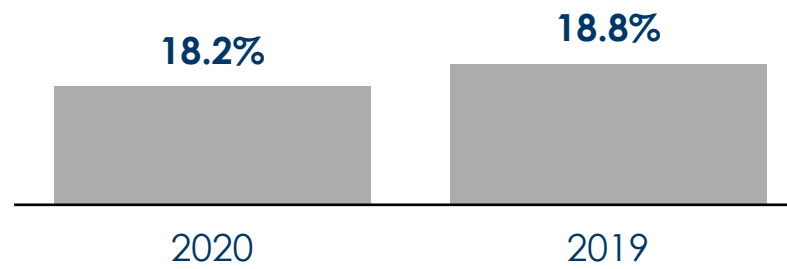
Operating Expenses % of Net Revenue

Six Months Ended June 30

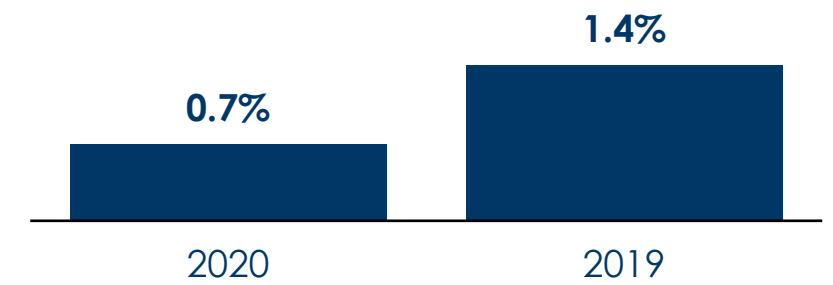
Salaries & Related



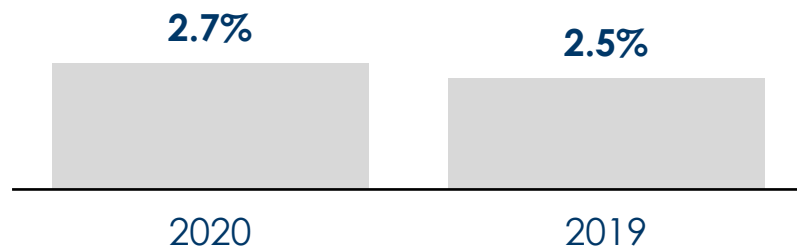
Office & Other Direct



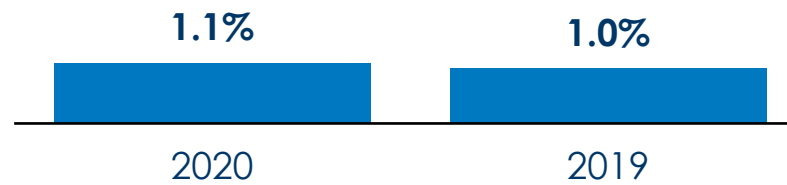
Selling, General & Administrative



Depreciation & Amortization ⁽¹⁾



Amortization of Acquired Intangibles



Restructuring Charges



⁽¹⁾ Excludes amortization of acquired intangibles.

Cash Flow

		Six Months Ended June 30,	
		2020	2019
Net (Loss) Income		\$ (41.3)	\$ 163.3
OPERATING ACTIVITIES:			
	Depreciation & amortization	187.0	192.8
	Deferred taxes	(21.1)	(3.0)
	Net losses on sales of businesses	43.2	11.8
	Non-cash restructuring charges	67.6	11.7
	Other non-cash items	51.0	5.7
	Change in working capital, net	(636.5)	(113.1)
	Change in other non-current assets & liabilities	(14.1)	(70.2)
	Net cash (used in) provided by Operating Activities	(364.2)	199.0
INVESTING ACTIVITIES:			
	Capital expenditures	(71.9)	(80.1)
	Acquisitions, net of cash acquired	(2.5)	(0.6)
	Other investing activities	(18.9)	2.8
	Net cash used in Investing Activities	(93.3)	(77.9)
FINANCING ACTIVITIES:			
	Proceeds from long-term debt	646.2	0.0
	Net increase in short-term borrowings	2.5	132.3
	Exercise of stock options	0.0	0.6
	Common stock dividends	(199.2)	(181.4)
	Acquisition-related payments	(32.3)	(13.0)
	Tax payments for employee shares withheld	(21.8)	(22.0)
	Distributions to noncontrolling interests	(9.4)	(8.1)
	Repayment of long-term debt	(0.1)	(100.1)
	Other financing activities	(8.2)	0.0
	Net cash provided by (used in) Financing Activities	377.7	(191.7)
	Currency effect	(28.9)	10.3
Net decrease in cash, cash equivalents and restricted cash		\$ (108.7)	\$ (60.3)

Depreciation and Amortization

	2020				
	Q1	Q2	Q3	Q4	YTD 2020
Depreciation and amortization ⁽¹⁾	\$ 51.5	\$ 51.3			\$ 102.8
Amortization of acquired intangibles	21.3	21.8			43.1
Amortization of restricted stock and other non-cash compensation	23.2	12.6			35.8
Net amortization of bond discounts and deferred financing costs	2.3	3.0			5.3

	2019				
	Q1	Q2	Q3	Q4	FY 2019
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				Change		
		Three Months Ended June 30, 2019	Foreign Currency	Net Acquisitions / (Divestitures)	Organic	Three Months Ended June 30, 2020	Organic	Total
SEGMENT:	IAN ⁽¹⁾	\$ 1,801.1	\$ (40.0)	\$ (16.2)	\$ (159.2)	\$ 1,585.7	(8.8%)	(12.0%)
	CMG ⁽¹⁾	324.8	(4.8)	(1.6)	(50.7)	267.7	(15.6%)	(17.6%)
	Total	\$ 2,125.9	\$ (44.8)	\$ (17.8)	\$ (209.9)	\$ 1,853.4	(9.9%)	(12.8%)
GEOGRAPHIC:	United States	\$ 1,337.7	\$ 0.0	\$ (4.1)	\$ (106.4)	\$ 1,227.2	(8.0%)	(8.3%)
	International	788.2	(44.8)	(13.7)	(103.5)	626.2	(13.1%)	(20.6%)
	United Kingdom	180.4	(7.5)	0.5	(26.2)	147.2	(14.5%)	(18.4%)
	Continental Europe	183.3	(5.6)	(7.7)	(20.3)	149.7	(11.1%)	(18.3%)
	Asia Pacific	205.1	(8.0)	(5.8)	(28.7)	162.6	(14.0%)	(20.7%)
	Latin America	92.1	(19.5)	(0.7)	(9.6)	62.3	(10.4%)	(32.4%)
	All Other Markets	127.3	(4.2)	0.0	(18.7)	104.4	(14.7%)	(18.0%)
	Worldwide	\$ 2,125.9	\$ (44.8)	\$ (17.8)	\$ (209.9)	\$ 1,853.4	(9.9%)	(12.8%)

⁽¹⁾ Results for the three months ended June 30, 2019 have been recast to conform to the current-period presentation.

(\$ in Millions)

Reconciliation of Organic Net Revenue

		Components of Change				Change		
		Six Months Ended June 30, 2019	Foreign Currency	Net Acquisitions / (Divestitures)	Organic	Six Months Ended June 30, 2020	Organic	Total
SEGMENT:	IAN ⁽¹⁾	\$ 3,507.2	\$ (58.6)	\$ (33.6)	\$ (164.8)	\$ 3,250.2	(4.7%)	(7.3%)
	CMG ⁽¹⁾	623.5	(6.8)	(1.7)	(39.7)	575.3	(6.4%)	(7.7%)
	Total	\$ 4,130.7	\$ (65.4)	\$ (35.3)	\$ (204.5)	\$ 3,825.5	(5.0%)	(7.4%)
GEOGRAPHIC:	United States	\$ 2,651.8	\$ 0.0	\$ (8.1)	\$ (96.5)	\$ 2,547.2	(3.6%)	(3.9%)
	International	1,478.9	(65.4)	(27.2)	(108.0)	1,278.3	(7.3%)	(13.6%)
	United Kingdom	350.7	(9.1)	0.5	(29.2)	312.9	(8.3%)	(10.8%)
	Continental Europe	340.1	(10.7)	(15.3)	(18.4)	295.7	(5.4%)	(13.1%)
	Asia Pacific	383.1	(12.0)	(11.5)	(38.2)	321.4	(10.0%)	(16.1%)
	Latin America	172.4	(29.1)	(0.7)	(1.0)	141.6	(0.6%)	(17.9%)
	All Other Markets	232.6	(4.5)	(0.2)	(21.2)	206.7	(9.1%)	(11.1%)
	Worldwide	\$ 4,130.7	\$ (65.4)	\$ (35.3)	\$ (204.5)	\$ 3,825.5	(5.0%)	(7.4%)

⁽¹⁾ Results for the six months ended June 30, 2019 have been recast to conform to the current-period presentation.

(\$ in Millions)

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended June 30, 2020					
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Discrete Tax Item ⁽²⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽³⁾	\$ 40.5	\$ (21.8)	\$ (112.6)			\$ 174.9
Total (Expenses) and Other Income ⁽⁴⁾	(65.4)			\$ (19.9)		(45.5)
(Loss) Income Before Income Taxes	(24.9)	(21.8)	(112.6)	(19.9)		129.4
Provision for Income Taxes	19.0	4.2	25.4	0.0	\$ (10.0)	38.6
Equity in Net Loss of Unconsolidated Affiliates	0.0					0.0
Net Income Attributable to Noncontrolling Interests	(1.7)					(1.7)
Net (Loss) Income Available to IPG Common Stockholders	\$ (45.6)	\$ (17.6)	\$ (87.2)	\$ (19.9)	\$ (10.0)	\$ 89.1
Weighted-Average Number of Common Shares Outstanding - Basic	389.4					389.4
Dilutive effect of stock options and restricted shares	N/A					2.9
Weighted-Average Number of Common Shares Outstanding - Diluted	389.4					392.3
(Loss) Earnings per Share Available to IPG Common Stockholders:						
Basic	\$ (0.12)	\$ (0.05)	\$ (0.22)	\$ (0.05)	\$ (0.03)	\$ 0.23
Diluted	\$ (0.12)	\$ (0.05)	\$ (0.22)	\$ (0.05)	\$ (0.03)	\$ 0.23

⁽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.

⁽²⁾ Consists of tax expense related to the estimated costs associated with our change in assertion (APB 23) that we will no longer permanently reinvest undistributed earnings attributable to certain foreign subsidiaries.

⁽³⁾ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on slide 24.

⁽⁴⁾ Consists of non-operating expenses including net interest expense and other (expense) income.

(\$ in Millions, except per share amounts)

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Reconciliation of Adjusted Results ⁽¹⁾

	Six Months Ended June 30, 2020					
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Discrete Tax Item ⁽²⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽³⁾	\$ 116.4	\$ (43.1)	\$ (112.6)			\$ 272.1
Total (Expenses) and Other Income ⁽⁴⁾	(121.3)			\$ (43.2)		(78.1)
(Loss) Income Before Income Taxes	(4.9)	(43.1)	(112.6)	(43.2)		194.0
Provision for Income Taxes	36.2	8.4	25.4	0.9	\$ (10.0)	60.9
Equity in Net Loss of Unconsolidated Affiliates	(0.2)					(0.2)
Net Loss Attributable to Noncontrolling Interests	0.4					0.4
Net (Loss) Income Available to IPG Common Stockholders	\$ (40.9)	\$ (34.7)	\$ (87.2)	\$ (42.3)	\$ (10.0)	\$ 133.3
Weighted-Average Number of Common Shares Outstanding - Basic	388.5					388.5
Dilutive effect of stock options and restricted shares		N/A				3.3
Weighted-Average Number of Common Shares Outstanding - Diluted	388.5					391.8
(Loss) Earnings per Share Available to IPG Common Stockholders:						
Basic	\$ (0.11)	\$ (0.09)	\$ (0.22)	\$ (0.11)	\$ (0.03)	\$ 0.34
Diluted	\$ (0.11)	\$ (0.09)	\$ (0.22)	\$ (0.11)	\$ (0.03)	\$ 0.34

⁽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.

⁽²⁾ Consists of tax expense related to the estimated costs associated with our change in assertion (APB 23) that we will no longer permanently reinvest undistributed earnings attributable to certain foreign subsidiaries.

⁽³⁾ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on slide 24.

⁽⁴⁾ Consists of non-operating expenses including net interest expense and other (expense) income.

(\$ in Millions, except per share amounts)

Reconciliation of Adjusted EBITA⁽¹⁾

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net Revenue	\$ 1,853.4	\$ 2,125.9	\$ 3,825.5	\$ 4,130.7
Non-GAAP Reconciliation:				
Net (Loss) Income Available to IPG Common Stockholders	\$ (45.6)	\$ 169.5	\$ (40.9)	\$ 161.5
Add Back:				
Provision for Income Taxes	19.0	43.6	36.2	54.1
Subtract:				
Total (Expenses) and Other Income	(65.4)	(47.7)	(121.3)	(96.6)
Equity in Net Loss of Unconsolidated Affiliates	0.0	(0.1)	(0.2)	(0.4)
Net (Income) Loss Attributable to Noncontrolling Interests	(1.7)	(3.3)	0.4	(1.8)
Operating Income	\$ 40.5	\$ 264.2	\$ 116.4	\$ 314.4
Add Back:				
Amortization of Acquired Intangibles	21.8	21.3	43.1	42.9
Adjusted EBITA	\$ 62.3	\$ 285.5	\$ 159.5	\$ 357.3
Adjusted EBITA Margin on Net Revenue %	3.4%	13.4%	4.2%	8.6%
Restructuring Charges ⁽²⁾	\$ 112.6	N/A	\$ 112.6	\$ 31.8
Adjusted EBITA before Restructuring Charges	\$ 174.9	N/A	\$ 272.1	\$ 389.1
Adjusted EBITA before Restructuring Charges Margin on Net Revenue %	9.4%	N/A	7.1%	9.4%

⁽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.

⁽²⁾ In the second quarter of 2020, the Company took restructuring actions to lower our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business. The adjustment of \$31.8 for restructuring charges for the six months ended June 30, 2019 only includes restructuring charges from the the first quarter of 2019, which relate to a cost initiative to better align our cost structure with our revenue due to client losses occurred in 2018.

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended June 30, 2019				
	As Reported	Amortization of Acquired Intangibles	Net Losses on Sales of Businesses	Settlement of Certain Tax Positions	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA ⁽²⁾	\$ 264.2	\$ (21.3)			\$ 285.5
Total (Expenses) and Other Income ⁽³⁾	(47.7)		\$ (6.1)		(41.6)
Income Before Income Taxes	216.5	(21.3)	(6.1)		243.9
Provision for Income Taxes	43.6	4.2	0.0	\$ 13.9	61.7
Equity in Net Loss of Unconsolidated Affiliates	(0.1)				(0.1)
Net Income Attributable to Noncontrolling Interests	(3.3)				(3.3)
Net Income Available to IPG Common Stockholders	\$ 169.5	\$ (17.1)	\$ (6.1)	\$ 13.9	\$ 178.8
Weighted-Average Number of Common Shares Outstanding - Basic	386.2				386.2
Dilutive effect of stock options and restricted shares	5.0				5.0
Weighted-Average Number of Common Shares Outstanding - Diluted	391.2				391.2
Earnings per Share Available to IPG Common Stockholders ⁽⁴⁾:					
Basic	\$ 0.44	\$ (0.04)	\$ (0.02)	\$ 0.04	\$ 0.46
Diluted	\$ 0.43	\$ (0.04)	\$ (0.02)	\$ 0.04	\$ 0.46

⁽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.

⁽²⁾ Refer to non-GAAP reconciliation of Adjusted EBITA on slide 24.

⁽³⁾ Consists of non-operating expenses including net interest expense and other (expense) income.

⁽⁴⁾ Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)

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Reconciliation of Adjusted Results ⁽¹⁾

	Six Months Ended June 30, 2019					
	As Reported	Amortization of Acquired Intangibles	Q1 2019 Restructuring Charges	Net Losses on Sales of Businesses	Settlement of Certain Tax Positions	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽²⁾	\$ 314.4	\$ (42.9)	\$ (31.8)			\$ 389.1
Total (Expenses) and Other Income ⁽³⁾	(96.6)			\$ (14.7)		(81.9)
Income Before Income Taxes	217.8	(42.9)	(31.8)	(14.7)		307.2
Provision for Income Taxes	54.1	8.4	7.6		\$ 13.9	84.0
Equity in Net Loss of Unconsolidated Affiliates	(0.4)					(0.4)
Net Income Attributable to Noncontrolling Interests	(1.8)					(1.8)
Net Income Available to IPG Common Stockholders	\$ 161.5	\$ (34.5)	\$ (24.2)	\$ (14.7)	\$ 13.9	\$ 221.0
Weighted-Average Number of Common Shares Outstanding - Basic	385.4					385.4
Dilutive effect of stock options and restricted shares	4.7					4.7
Weighted-Average Number of Common Shares Outstanding - Diluted	390.1					390.1
Earnings per Share Available to IPG Common Stockholders ⁽⁴⁾:						
Basic	\$ 0.42	\$ (0.09)	\$ (0.06)	\$ (0.04)	\$ 0.04	\$ 0.57
Diluted	\$ 0.41	\$ (0.09)	\$ (0.06)	\$ (0.04)	\$ 0.04	\$ 0.57

⁽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.

⁽²⁾ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on slide 24.

⁽³⁾ Consists of non-operating expenses including net interest expense and other (expense) income.

⁽⁴⁾ Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)



Metrics Update

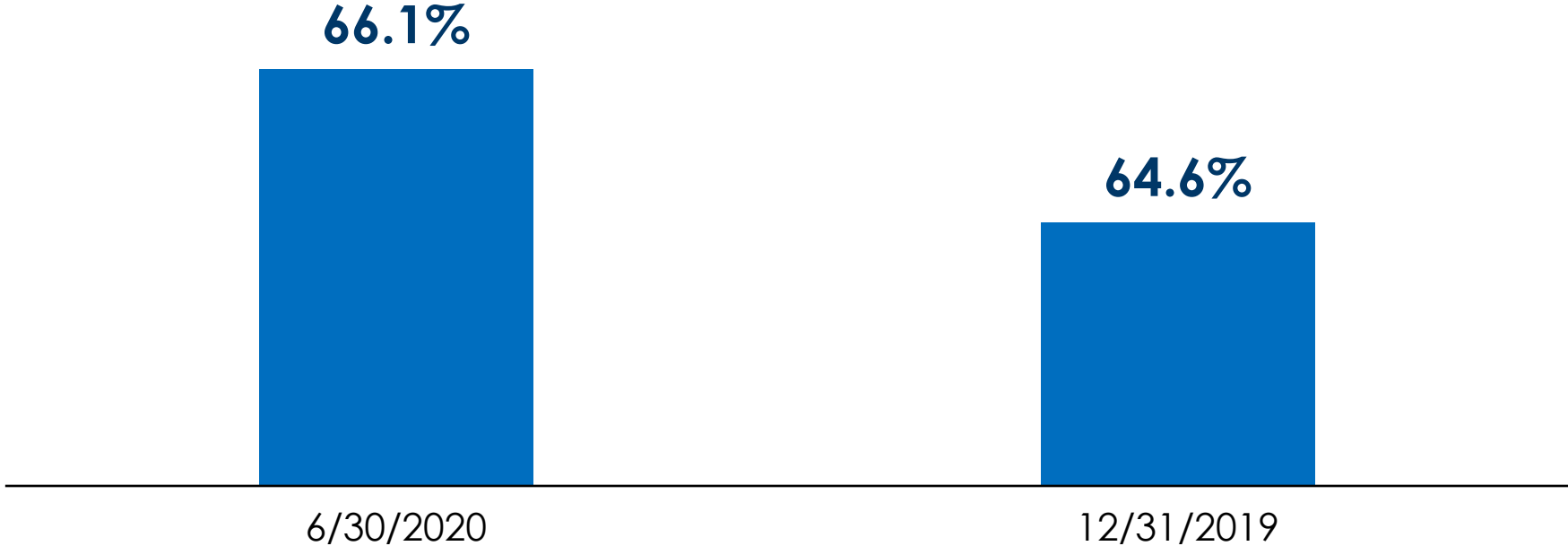
Metrics Update

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		



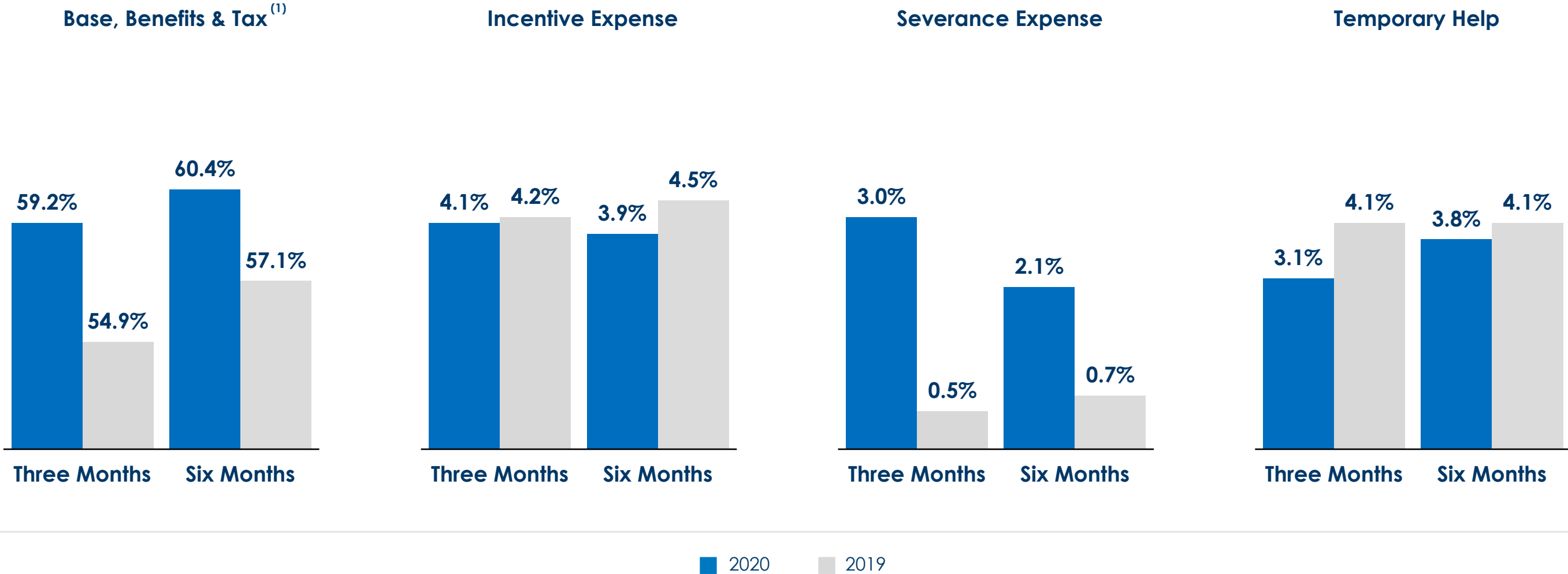
Salaries & Related Expenses

% of Net Revenue, Trailing Twelve Months



Salaries & Related Expenses (% of Net Revenue)

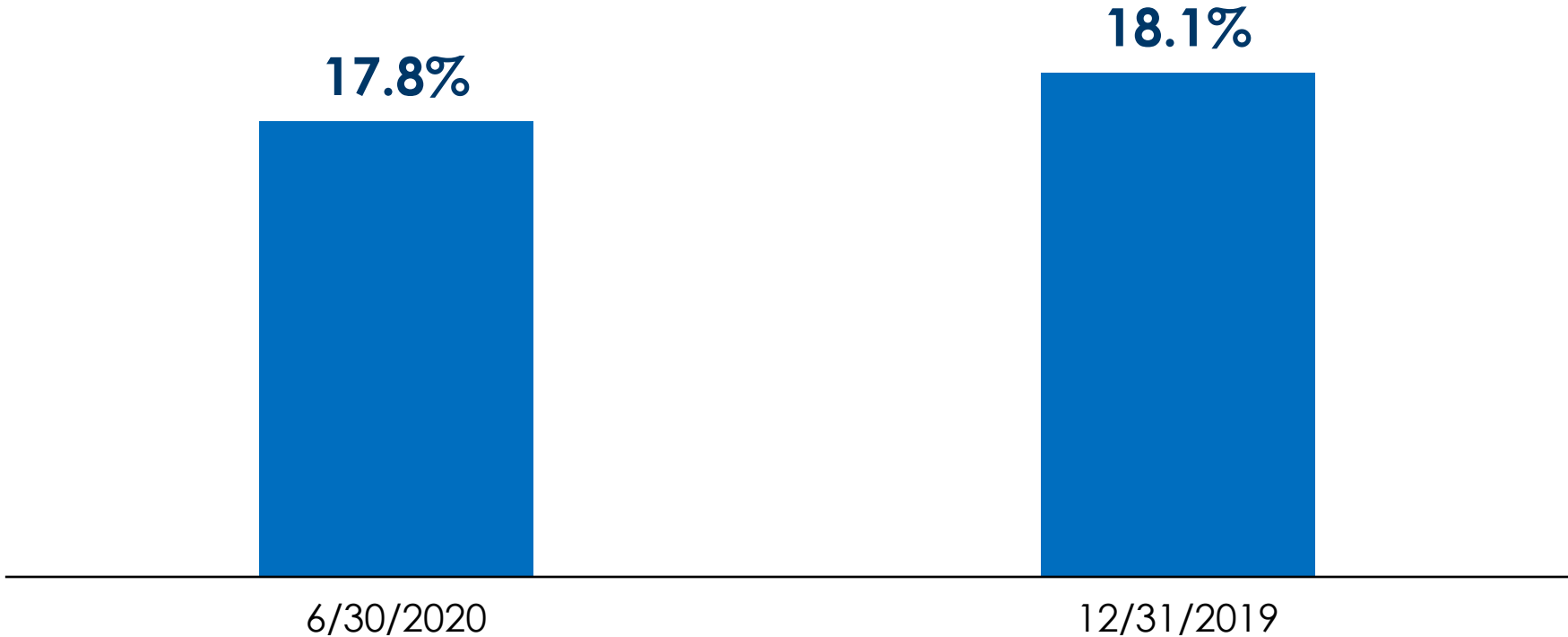
Three and Six Months Ended June 30



⁽¹⁾ Base, Benefits & Tax for the three and six months ended June 30, 2020 decreased compared to the same periods in 2019. "All Other Salaries & Related," not shown, was 1.1% and 1.3% for the three months ended June 30, 2020 and 2019, respectively, and 1.1% and 1.4% for the six months ended June 30, 2020 and 2019, respectively. Certain information for the prior period has been recast to conform to the current-period presentation.

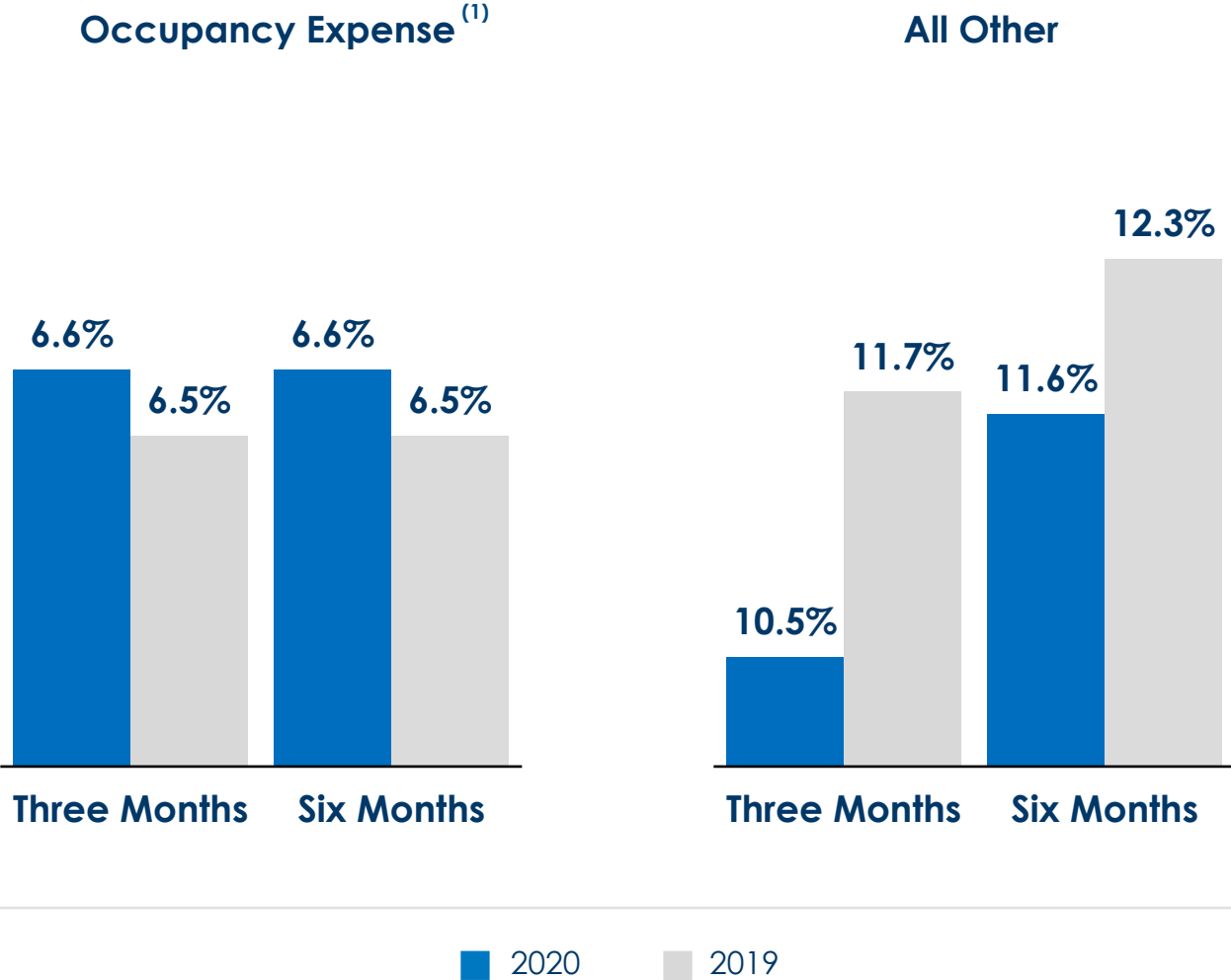
Office & Other Direct Expenses

% of Net Revenue, Trailing Twelve Months



Office & Other Direct Expenses (% of Net Revenue)

Three and Six Months Ended June 30

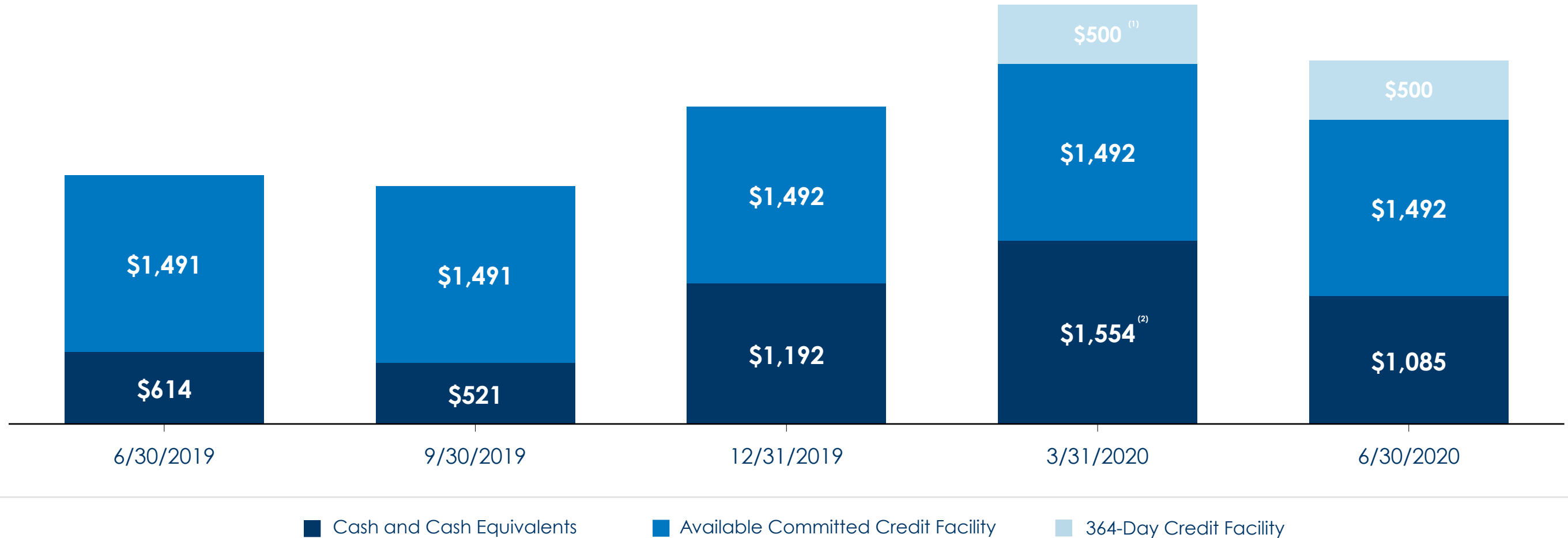


⁽¹⁾ Occupancy expense for the three and six months ended June 30, 2020 decreased compared to the same periods in 2019. "All Other" primarily includes client service costs, non-pass through production expenses, travel and entertainment, professional fees, spending to support new business activity, telecommunications, office supplies, bad debt expense, adjustments to contingent acquisition obligations, foreign currency losses (gains) 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 June 30, 2020
I. Leverage Ratio (not greater than) ^{(2) (3)}	3.75x
Actual Leverage Ratio	3.01x

CREDIT AGREEMENT EBITDA RECONCILIATION:	Last Twelve Months Ended June 30, 2020
Net Income Available to IPG Common Stockholders	\$ 453.6
+ Non-Operating Adjustments ⁽⁴⁾	434.4
Operating Income	\$ 888.0
+ Depreciation and Amortization	376.3
+ Other Non-cash Charges Reducing Operating Income	53.9
Credit Agreement EBITDA ^{(2):}	\$ 1,318.2

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

⁽²⁾ The leverage ratio is defined as debt as of the last day of such fiscal quarter to EBITDA (as defined in the Credit Agreement and the 364-Day Credit Facility) for the four quarters then ended.

⁽³⁾ On July 28, 2020, we entered into Amendment No. 1 to the Credit Agreement and Amendment No. 1 to the 364-Day Credit Facility (together, the "Amendments"). The Amendments increased the maximum leverage ratio covenant to 4.25x in the case of the 364-Day Credit Facility and, in the case of the Credit Agreement, to (i) 4.25x through the quarter ended June 30, 2021, and (ii) 3.50x thereafter.

⁽⁴⁾ Includes adjustments of the following items from our consolidated statement of operations: provision for income taxes, total (expenses) and other income, equity in net loss of unconsolidated affiliates, and net loss attributable to noncontrolling interests

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 under item 1A, *Risk Factors*, in our most recent Annual Report on Form 10-K and our quarterly reports on Form 10-Q 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:

- the effects of a challenging economy 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 contain 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 quarterly reports on Form 10-Q and our other SEC filings.