



SECOND QUARTER 2019
EARNINGS CONFERENCE CALL

Interpublic Group
July 23, 2019

Overview - Second Quarter 2019

- Net revenue growth was 9.1%, and organic growth of net revenue was 3.0%
 - U.S. organic growth was 0.6%
 - International organic growth was 6.5%
- Operating income was \$264.2 million, and EBITA was \$285.5 million, a 12.2% increase from a year ago
- EBITA margin was 13.4% compared with 13.1% a year ago
- Diluted EPS was \$0.43, and was \$0.46 as adjusted compared with \$0.44 a year ago

"Organic growth" refers exclusively to the organic change of net revenue. Adjusted diluted EPS is adjusted for amortization of acquired intangibles, Q1 2019 restructuring charges, sales of businesses, and tax settlements. See reconciliation of organic net revenue change on pages 17-18 and adjusted non-GAAP reconciliations on pages 19-21.

Operating Performance

(Amounts in Millions,
except per share amounts)

	Three Months Ended June 30,	
	2019	2018
<i>Net Revenue</i>	\$ 2,125.9	\$ 1,948.2
Billable Expenses	394.3	443.6
<i>Total Revenue</i>	2,520.2	2,391.8
Salaries and Related Expenses	1,381.2	1,292.9
Office and Other Direct Expenses	387.3	333.3
Billable Expenses	394.3	443.6
Cost of Services	2,162.8	2,069.8
Selling, General and Administrative Expenses	18.1	28.8
Depreciation and Amortization	73.0	44.0
Restructuring Charges	2.1	0.0
<i>Operating Income</i>	264.2	249.2
Interest Expense, net	(43.9)	(21.4)
Other Expense, net	(3.8)	(16.3)
<i>Income Before Income Taxes</i>	216.5	211.5
Provision for Income Taxes	43.6	63.6
Equity in Net Loss of Unconsolidated Affiliates	(0.1)	(0.1)
<i>Net Income</i>	172.8	147.8
Net Income Attributable to Noncontrolling Interests	(3.3)	(2.0)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 169.5	\$ 145.8
<i>Earnings per Share Available to IPG Common Stockholders - Basic</i>	\$ 0.44	\$ 0.38
<i>Earnings per Share Available to IPG Common Stockholders - Diluted</i>	\$ 0.43	\$ 0.37
<i>Weighted-Average Number of Common Shares Outstanding - Basic</i>	386.2	383.6
<i>Weighted-Average Number of Common Shares Outstanding - Diluted</i>	391.2	389.5
<i>Dividends Declared per Common Share</i>	\$ 0.235	\$ 0.210

Net Revenue

(\$ in Millions)

	Three Months Ended		Six Months Ended	
	\$	% Change	\$	% Change
June 30, 2018	\$ 1,948.2		\$ 3,722.2	
Total change	177.7	9.1%	408.5	11.0%
Foreign currency	(45.8)	(2.4%)	(95.2)	(2.5%)
Net acquisitions/(divestitures)	165.9	8.5%	331.7	8.9%
Organic	57.6	3.0%	172.0	4.6%
June 30, 2019	\$ 2,125.9		\$ 4,130.7	

	Three Months Ended June 30,				Six Months Ended June 30,			
			Change				Change	
	2019	2018	Organic	Total	2019	2018	Organic	Total
IAN	\$ 1,805.8	\$ 1,629.1	3.2%	10.8%	\$ 3,517.0	\$ 3,110.4	5.2%	13.1%
CMG	\$ 320.1	\$ 319.1	1.9%	0.3%	\$ 613.7	\$ 611.8	1.9%	0.3%

See reconciliation of segment organic net revenue change on pages 17-18.

Geographic Net Revenue Change

	Three Months Ended June 30, 2019		Six Months Ended June 30, 2019	
	Organic	Total	Organic	Total
United States	0.6%	14.2%	3.0%	17.1%
International	6.5%	1.5%	7.1%	1.4%
United Kingdom	4.7%	2.7%	5.2%	3.4%
Continental Europe	9.2%	2.6%	8.4%	0.8%
Asia Pacific	(0.3%)	(4.2%)	1.9%	(2.5%)
Latin America	25.1%	12.3%	24.5%	10.6%
All Other Markets	4.8%	1.0%	5.0%	(0.1%)
Worldwide	3.0%	9.1%	4.6%	11.0%

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

See reconciliation of organic net revenue change on pages 17-18.

Operating Expenses

(\$ in Millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Increase / (Decrease)	2019	2018	% Increase / (Decrease)
Salaries & Related <i>% of Net Revenue</i>	\$ 1,381.2 65.0%	\$ 1,292.9 66.4%	6.8%	\$ 2,802.3 67.8%	\$ 2,623.2 70.5%	6.8%
Office & Other Direct <i>% of Net Revenue</i>	387.3 18.2%	333.3 17.1%	16.2%	776.5 18.8%	657.1 17.7%	18.2%
Selling, General & Administrative <i>% of Net Revenue</i>	18.1 0.8%	28.8 1.5%	(37.2)%	59.5 1.4%	63.9 1.7%	(6.9)%
Depreciation ⁽¹⁾ <i>% of Net Revenue</i>	51.7 2.4%	38.8 2.0%	33.2%	101.2 2.4%	79.5 2.1%	27.3%
Amortization of Acquired Intangibles ⁽¹⁾ <i>% of Net Revenue</i>	21.3 1.0%	5.2 0.3%	309.6%	42.9 1.0%	10.5 0.3%	308.6%
Restructuring <i>% of Net Revenue</i>	2.1 0.1%	0.0 N/A	N/A	33.9 0.8%	0.0 N/A	N/A

⁽¹⁾ For the three months ended June 30, 2019, depreciation and amortization from Acxiom was \$10.2 and \$16.6, respectively. For the six months ended June 30, 2019, depreciation and amortization from Acxiom was \$20.3 and \$33.3, respectively.

Adjusted Diluted Earnings Per Share

(Amounts in Millions,
except per share amounts)

	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
Operating Income and EBITA	\$ 264.2	\$ (21.3)			\$ 285.5
Total (Expenses) and Other Income	(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		\$ 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)
<u>Diluted EPS Components:</u>					
Net Income Available to IPG Common Stockholders	\$ 169.5	\$ (17.1)	\$ (6.1)	\$ 13.9	\$ 178.8
Weighted-Average Number of Common Shares Outstanding	391.2				391.2
Earnings per Share Available to IPG Common Stockholders:	\$ 0.43	\$ (0.04)	\$ (0.02)	\$ 0.04	\$ 0.46

See full reconciliation of adjusted non-GAAP diluted earnings per share on page 19.

Adjusted Diluted Earnings Per Share

(Amounts in Millions,
except per share amounts)

	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
Operating Income and Adjusted EBITA	\$ 314.4	\$ (42.9)	\$ (31.8)			\$ 389.1
Total (Expenses) and Other Income	(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)
<u>Diluted EPS Components:</u>						
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	390.1					390.1
Earnings per Share Available to IPG Common Stockholders:	\$ 0.41	\$ (0.09)	\$ (0.06)	\$ (0.04)	\$ 0.04	\$ 0.57

See full reconciliation of adjusted non-GAAP diluted earnings per share on page 20.

Cash Flow

(\$ in Millions)

	Three Months Ended June 30,	
	2019	2018
NET INCOME	\$ 172.8	\$ 147.8
OPERATING ACTIVITIES		
Depreciation & amortization	91.2	61.3
Deferred taxes	28.0	(10.2)
Net losses on sales of businesses	3.2	19.8
Other non-cash items	(7.7)	(0.9)
Change in working capital, net	52.7	(62.5)
Operating lease right-of-use assets	98.0	0.0
Operating lease liabilities	(101.6)	0.0
Change in other non-current assets & liabilities	(44.1)	16.9
Net cash provided by in Operating Activities	292.5	172.2
INVESTING ACTIVITIES		
Capital expenditures	(47.3)	(38.7)
Acquisitions, net of cash acquired	(0.6)	(8.3)
Other investing activities	0.7	12.5
Net cash used in Investing Activities	(47.2)	(34.5)
FINANCING ACTIVITIES		
Exercise of stock options	0.0	0.1
Repurchases of common stock	0.0	(59.6)
Repayment of long-term debt	(100.1)	(4.7)
Common stock dividends	(90.8)	(80.4)
Net decrease in short-term borrowings	(68.7)	(49.5)
Acquisition-related payments	(12.5)	(16.0)
Distributions to noncontrolling interests	(5.6)	(6.7)
Tax payments for employee shares withheld	(0.8)	(1.7)
Other financing activities	0.1	1.3
Net cash used in Financing Activities	(278.4)	(217.2)
Currency effect	16.7	(24.6)
Net decrease in cash, cash equivalents and restricted cash	\$ (16.4)	\$ (104.1)

Balance Sheet – Current Portion

(\$ in Millions)

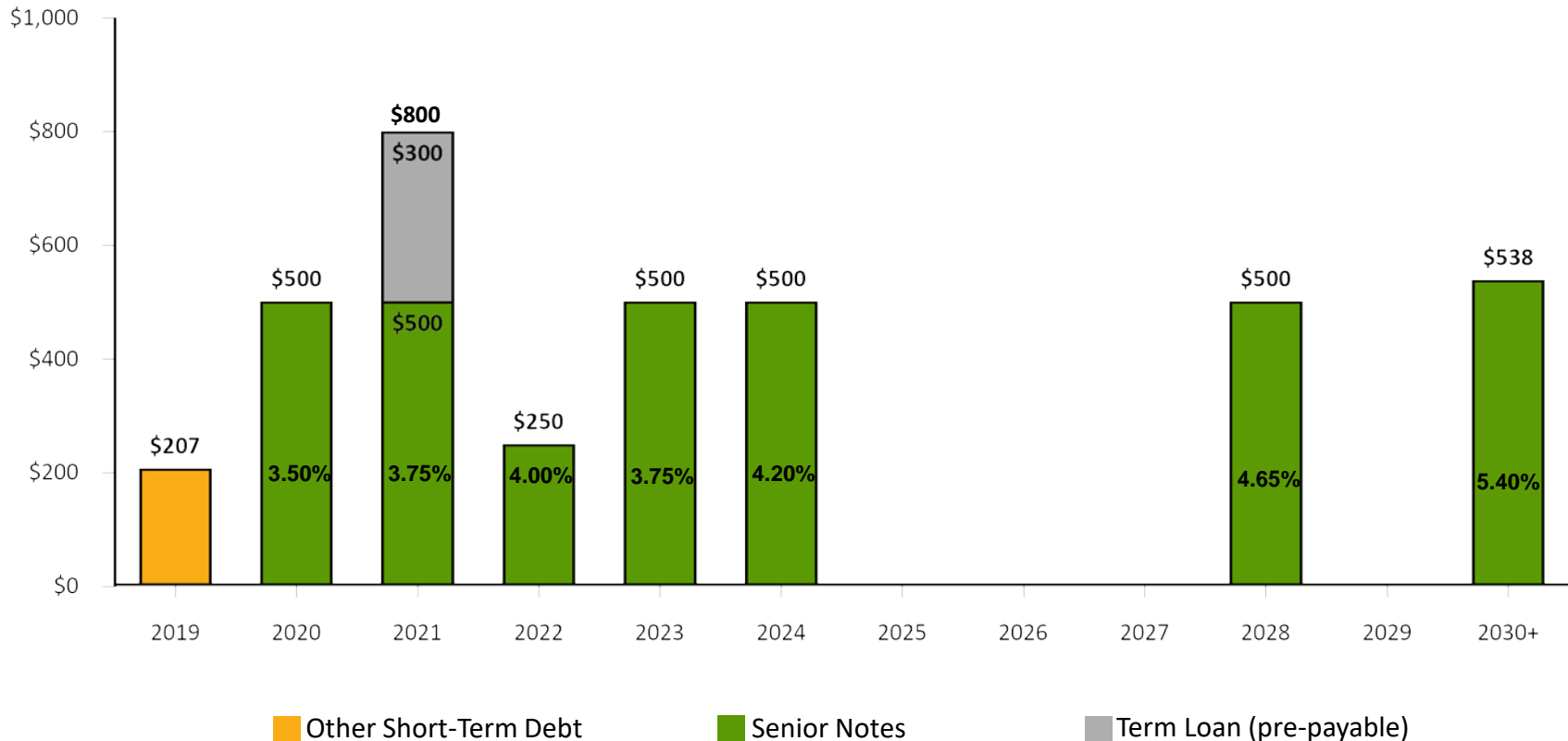
	<u>June 30, 2019</u>		<u>December 31, 2018</u>		<u>June 30, 2018</u>
CURRENT ASSETS:					
Cash and cash equivalents	\$ 614.0	\$	673.4	\$	493.2
Accounts receivable, net	4,389.5		5,126.6		4,247.7
Accounts receivable, billable to clients	1,977.6		1,900.6		1,945.8
Assets held for sale	26.4		5.7		19.6
Other current assets	467.9		476.6		439.3
Total current assets	\$ 7,475.4	\$	8,182.9	\$	7,145.6
CURRENT LIABILITIES:					
Accounts payable	\$ 6,022.3	\$	6,698.1	\$	5,738.8
Accrued liabilities	626.4		806.9		551.5
Contract liabilities	585.2		533.9		510.8
Short-term borrowings	207.1		73.7		757.6
Current portion of long-term debt	0.3		0.1		0.1
Liabilities held for sale	29.0		11.2		26.5
Current portion of operating leases ⁽¹⁾	261.0		0.0		0.0
Total current liabilities	\$ 7,731.3	\$	8,123.9	\$	7,585.3

⁽¹⁾ Increase from prior periods is due to adoption of new lease accounting standard.

Debt Maturity Schedule

(\$ in Millions)

Total Debt = \$3.8 billion



Senior Notes shown at face value on June 30, 2019

Summary

- 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
- Continued focus on growth and margin improvement
- Financial strength an ongoing source of value creation



Interpublic Group

Appendix

Operating Performance

(Amounts in Millions,
except per share amounts)

	Six Months Ended June 30,	
	2019	2018
Net Revenue	\$ 4,130.7	\$ 3,722.2
Billable Expenses	750.7	838.7
Total Revenue	4,881.4	4,560.9
Salaries and Related Expenses	2,802.3	2,623.2
Office and Other Direct Expenses	776.5	657.1
Billable Expenses	750.7	838.7
Cost of Services	4,329.5	4,119.0
Selling, General and Administrative Expenses	59.5	63.9
Depreciation and Amortization	144.1	90.0
Restructuring Charges	33.9	0.0
Operating Income	314.4	288.0
Interest Expense, net	(85.9)	(37.3)
Other Expense, net	(10.7)	(40.7)
Income Before Income Taxes	217.8	210.0
Provision for Income Taxes	54.1	76.3
Equity in Net Loss of Unconsolidated Affiliates	(0.4)	(2.0)
Net Income	163.3	131.7
Net Income Attributable to Noncontrolling Interests	(1.8)	0.0
Net Income Available to IPG Common Stockholders	\$ 161.5	\$ 131.7
<i>Earnings per Share Available to IPG Common Stockholders - Basic</i>	\$ 0.42	\$ 0.34
<i>Earnings per Share Available to IPG Common Stockholders - Diluted</i>	\$ 0.41	\$ 0.34
<i>Weighted-Average Number of Common Shares Outstanding - Basic</i>	385.4	383.5
<i>Weighted-Average Number of Common Shares Outstanding - Diluted</i>	390.1	388.9
<i>Dividends Declared per Common Share</i>	\$ 0.470	\$ 0.420

Cash Flow

(\$ in Millions)

	Six Months Ended June 30,	
	2019	2018
NET INCOME	\$ 163.3	\$ 131.7
OPERATING ACTIVITIES		
Depreciation & amortization	192.8	138.7
Deferred taxes	(3.0)	(31.0)
Net losses on sales of businesses	11.8	44.2
Other non-cash items	8.8	8.0
Change in working capital, net	(113.1)	(837.5)
Operating lease right-of-use assets	168.0	0.0
Operating lease liabilities	(164.0)	0.0
Change in other non-current assets & liabilities	(65.6)	(11.8)
Net cash provided by (used in) Operating Activities	199.0	(557.7)
INVESTING ACTIVITIES		
Capital expenditures	(80.1)	(61.5)
Acquisitions, net of cash acquired	(0.6)	(8.5)
Other investing activities	2.8	12.4
Net cash used in Investing Activities	(77.9)	(57.6)
FINANCING ACTIVITIES		
Net increase in short-term borrowings	132.3	669.3
Exercise of stock options	0.6	7.0
Repurchases of common stock	0.0	(114.5)
Common stock dividends	(181.4)	(161.2)
Repayment of long-term debt	(100.1)	(4.7)
Tax payments for employee shares withheld	(22.0)	(28.0)
Acquisition-related payments	(13.0)	(16.0)
Distributions to noncontrolling interests	(8.1)	(10.6)
Other financing activities	0.0	(0.3)
Net cash (used in) provided by Financing Activities	(191.7)	341.0
Currency effect	10.3	(27.5)
Net decrease in cash, cash equivalents and restricted cash	\$ (60.3)	\$ (301.8)

Depreciation and Amortization

(\$ in Millions)

	2019				
	Q1	Q2	Q3	Q4	YTD 2019
Depreciation ⁽¹⁾	\$ 49.5	\$ 51.7			\$ 101.2
Amortization of acquired intangibles ⁽¹⁾	21.6	21.3			42.9
Amortization of restricted stock and other non-cash compensation	28.2	15.9			44.1
Net amortization of bond discounts and deferred financing costs	2.3	2.3			4.6

	2018				
	Q1	Q2	Q3	Q4	FY 2018
Depreciation	\$ 40.7	\$ 38.8	\$ 38.9	\$ 46.9	\$ 165.3
Amortization of acquired intangibles	5.3	5.2	5.1	22.0	37.6
Amortization of restricted stock and other non-cash compensation	30.0	16.0	13.7	22.5	82.2
Net amortization of bond discounts and deferred financing costs	1.4	1.3	1.5	2.3	6.5

⁽¹⁾ For the three months ended June 30, 2019, depreciation and amortization from Acxiom was \$10.2 and \$16.6, respectively. For the six months ended June 30, 2019, depreciation and amortization from Acxiom was \$20.3 and \$33.3, respectively.

Reconciliation of Organic Net Revenue

(\$ in Millions)

Segment	Three Months Ended June 30, 2018	Components of Change			Three Months Ended June 30, 2019	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
IAN	\$ 1,629.1	\$ (39.6)	\$ 164.8	\$ 51.5	\$ 1,805.8	3.2%	10.8%
CMG	319.1	(6.2)	1.1	6.1	320.1	1.9%	0.3%
Total	\$ 1,948.2	\$ (45.8)	\$ 165.9	\$ 57.6	\$ 2,125.9	3.0%	9.1%
Geographic							
United States	\$ 1,171.5	\$ 0.0	\$ 159.2	\$ 7.0	\$ 1,337.7	0.6%	14.2%
International	776.7	(45.8)	6.7	50.6	788.2	6.5%	1.5%
United Kingdom	175.7	(10.2)	6.6	8.3	180.4	4.7%	2.7%
Continental Europe	178.7	(12.0)	0.2	16.4	183.3	9.2%	2.6%
Asia Pacific	214.2	(9.7)	1.3	(0.7)	205.1	(0.3%)	(4.2%)
Latin America	82.0	(9.7)	(0.8)	20.6	92.1	25.1%	12.3%
All Other Markets	126.1	(4.2)	(0.6)	6.0	127.3	4.8%	1.0%
Worldwide	\$ 1,948.2	\$ (45.8)	\$ 165.9	\$ 57.6	\$ 2,125.9	3.0%	9.1%

Reconciliation of Organic Net Revenue

(\$ in Millions)

Segment	Six Months Ended June 30, 2018	Components of Change			Six Months Ended June 30, 2019	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
IAN	\$ 3,110.4	\$ (82.7)	\$ 328.9	\$ 160.4	\$ 3,517.0	5.2%	13.1%
CMG	611.8	(12.5)	2.8	11.6	613.7	1.9%	0.3%
Total	\$ 3,722.2	\$ (95.2)	\$ 331.7	\$ 172.0	\$ 4,130.7	4.6%	11.0%
Geographic							
United States	\$ 2,263.8	\$ 0.0	\$ 319.2	\$ 68.8	\$ 2,651.8	3.0%	17.1%
International	1,458.4	(95.2)	12.5	103.2	1,478.9	7.1%	1.4%
United Kingdom	339.2	(20.7)	14.5	17.7	350.7	5.2%	3.4%
Continental Europe	337.4	(24.7)	(1.0)	28.4	340.1	8.4%	0.8%
Asia Pacific	393.0	(19.5)	2.3	7.3	383.1	1.9%	(2.5)%
Latin America	155.9	(20.5)	(1.2)	38.2	172.4	24.5%	10.6%
All Other Markets	232.9	(9.8)	(2.1)	11.6	232.6	5.0%	(0.1)%
Worldwide	\$ 3,722.2	\$ (95.2)	\$ 331.7	\$ 172.0	\$ 4,130.7	4.6%	11.0%

Reconciliation of Adjusted Results ⁽¹⁾

(Amounts in Millions,
except per share amounts)

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
Operating Income and EBITA	\$ 264.2	\$ (21.3)			\$ 285.5
Total (Expenses) and Other Income	(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		\$ 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:					
Basic	\$ 0.44	\$ (0.04)	\$ (0.02)	\$ 0.04	\$ 0.46
Diluted	\$ 0.43	\$ (0.04)	\$ (0.02)	\$ 0.04	\$ 0.46

(1) The following 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.

Reconciliation of Adjusted Results ⁽¹⁾

(Amounts in Millions,
except per share amounts)

	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
Operating Income and Adjusted EBITA	\$ 314.4	\$ (42.9)	\$ (31.8)			\$ 389.1
Total (Expenses) and Other Income	(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:						
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 following 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.

Adjusted EBITA Reconciliation ⁽¹⁾

(\$ in Millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net Revenue	\$ 2,125.9	\$ 1,948.2	\$ 4,130.7	\$ 3,722.2
EBITA Reconciliation:				
Net Income Available to IPG Common Stockholders	\$ 169.5	\$ 145.8	\$ 161.5	\$ 131.7
Add Back:				
Provision for Income Taxes	43.6	63.6	54.1	76.3
Subtract:				
Total (Expenses) and Other Income	(47.7)	(37.7)	(96.6)	(78.0)
Equity in Net Loss of Unconsolidated Affiliates	(0.1)	(0.1)	(0.4)	(2.0)
Net Income Attributable to Noncontrolling Interests	(3.3)	(2.0)	(1.8)	0.0
Operating Income	264.2	249.2	314.4	288.0
Add Back:				
Amortization of Acquired Intangibles	21.3	5.2	42.9	10.5
EBITA	\$ 285.5	\$ 254.4	357.3	298.5
<i>EBITA Margin on Net Revenue %</i>	13.4%	13.1%	8.6%	8.0%
Q1 2019 Restructuring Charges			31.8	0.0
Adjusted EBITA			\$ 389.1	\$ 298.5
<i>Adjusted EBITA Margin on Net Revenue %</i>			9.4%	8.0%

⁽¹⁾ The following 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.

Reconciliation of Adjusted Results ⁽¹⁾

(Amounts in Millions,
except per share amounts)

	Three Months Ended June 30, 2018			
	As Reported	Amortization of Acquired Intangibles	Net Losses on Sales of Businesses	Adjusted Results
Operating Income and EBITA	\$ 249.2	\$ (5.2)		\$ 254.4
Total (Expenses) and Other Income	(37.7)		\$ (19.8)	(17.9)
Income Before Income Taxes	211.5	(5.2)	(19.8)	236.5
Provision for Income Taxes	63.6	0.2		63.8
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	\$ (5.0)	\$ (19.8)	\$ 170.6
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	\$ (0.01)	\$ (0.05)	\$ 0.44
Diluted	\$ 0.37	\$ (0.01)	\$ (0.05)	\$ 0.44

⁽¹⁾ The following 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.

Reconciliation of Adjusted Results ⁽¹⁾

(Amounts in Millions,
except per share amounts)

	Six Months Ended June 30, 2018			
	As Reported	Amortization of Acquired Intangibles	Net Losses on Sales of Businesses	Adjusted Results
Operating Income and EBITA	\$ 288.0	\$ (10.5)		\$ 298.5
Total (Expenses) and Other Income	(78.0)		\$ (44.2)	(33.8)
Income Before Income Taxes	210.0	(10.5)	(44.2)	264.7
Provision for Income Taxes	76.3	0.4	0.4	77.1
Equity in Net Loss of Unconsolidated Affiliates	(2.0)			(2.0)
Net Income Attributable to Noncontrolling Interests	0.0			0.0
Net Income Available to IPG Common Stockholders	<u>\$ 131.7</u>	<u>\$ (10.1)</u>	<u>\$ (43.8)</u>	<u>\$ 185.6</u>
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	<u>388.9</u>			<u>388.9</u>
Earnings Per Share Available to IPG Common Stockholders:				
Basic	\$ 0.34	\$ (0.03)	\$ (0.11)	\$ 0.48
Diluted	\$ 0.34	\$ (0.03)	\$ (0.11)	\$ 0.48

⁽¹⁾ The following 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.



Interpublic Group

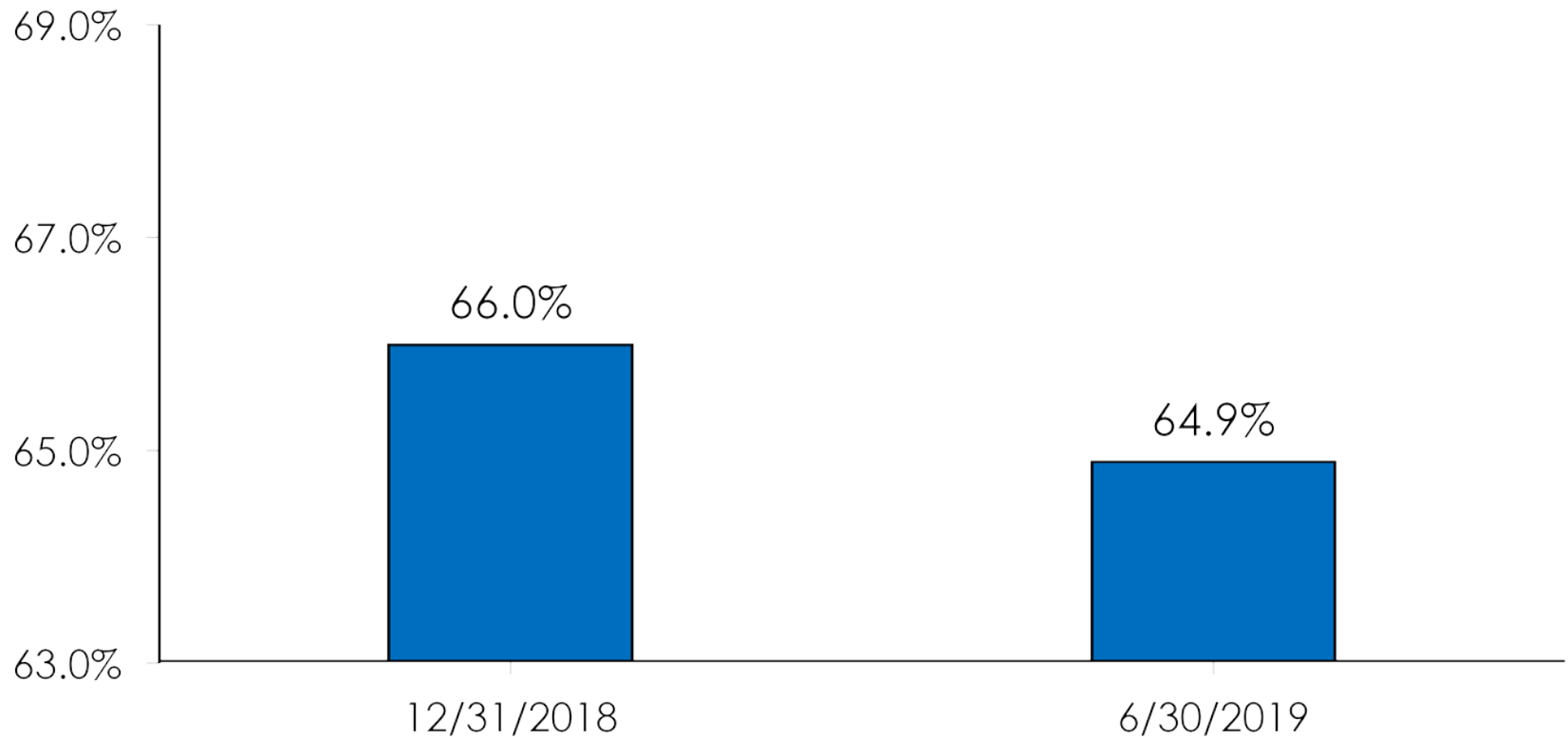
Metrics Update

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 Credit Facility and Term Loan Covenants

Salaries & Related Expenses

% of Net Revenue, Trailing Twelve Months



Salaries & Related Expenses (% of Net Revenue)

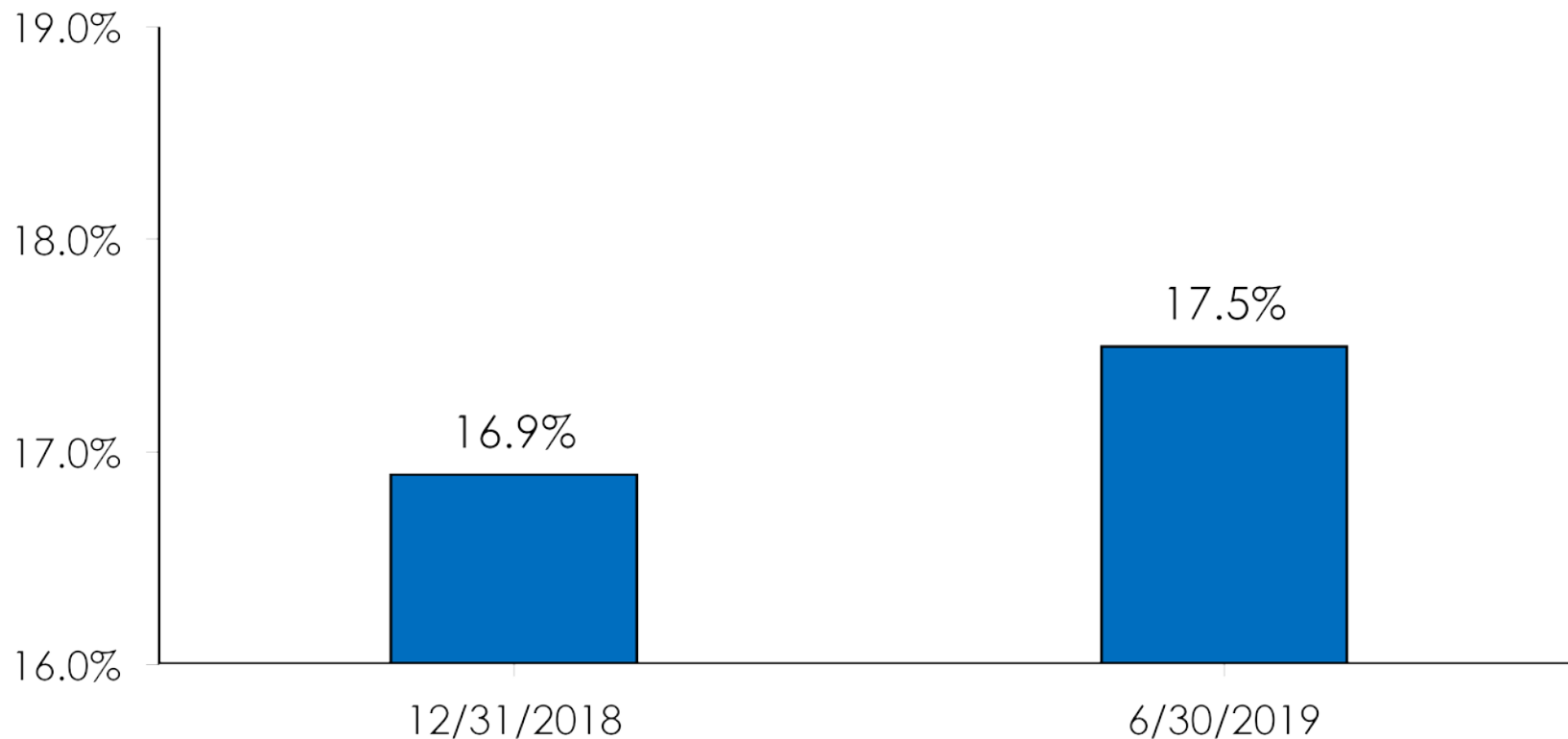
Three and Six Months Ended June 30



"All Other Salaries & Related," not shown, was 2.3% and 2.1% for the three months ended June 30, 2019 and 2018, respectively, and 2.0% and 2.1% for the six months ended June 30, 2019 and 2018, respectively.

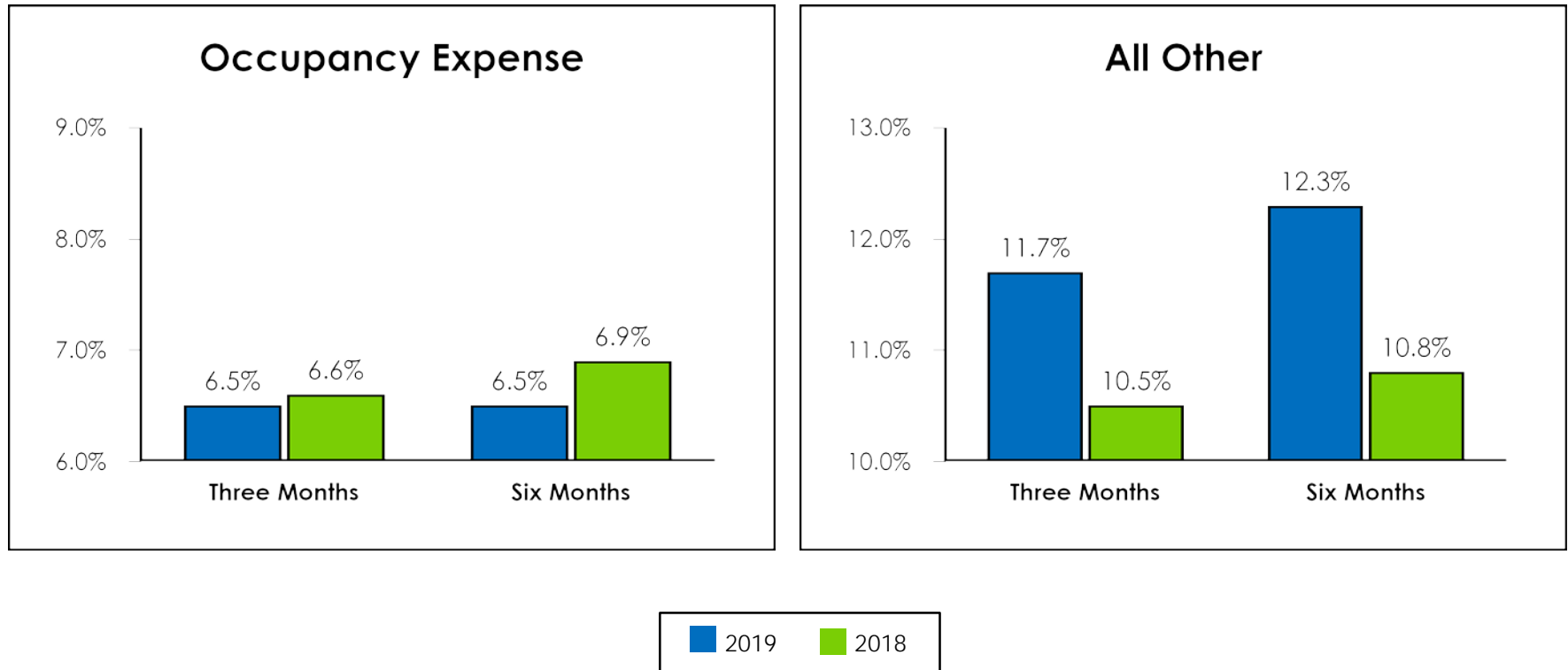
Office & Other Direct Expenses

% of Net Revenue, Trailing Twelve Months



Office & Other Direct Expenses (% of Net Revenue)

Three and Six Months Ended June 30

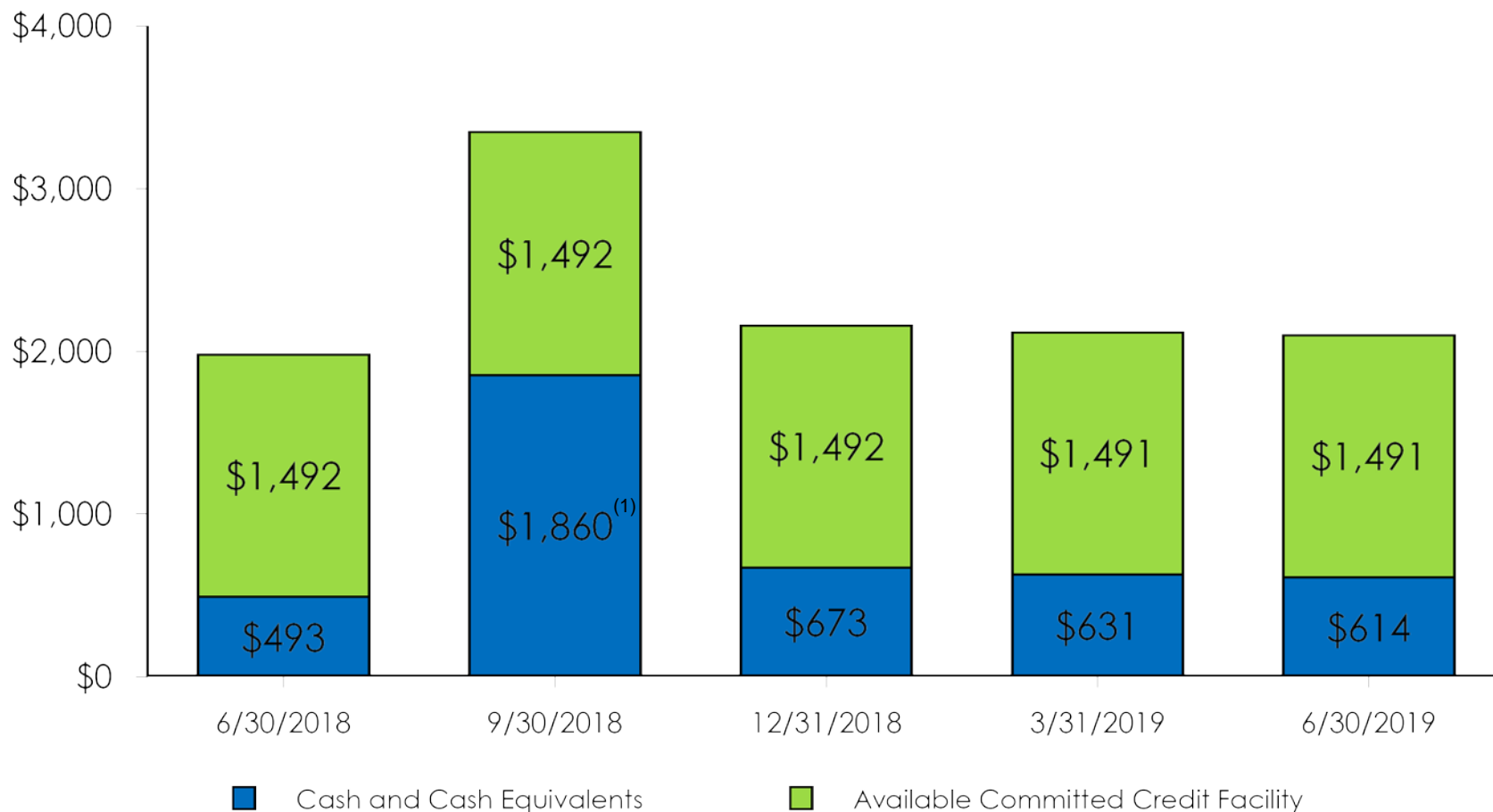


"All Other" primarily includes client service costs, non-pass through production expenses, travel and entertainment, professional fees, spending to support new business activity, telecommunications, office supplies, bad debt expense, adjustments to contingent acquisition obligations, foreign currency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

Available Liquidity

(\$ in Millions)

Cash and Cash Equivalents + Available Committed Credit Facility



⁽¹⁾ Reflects cash on hand from the September 2018 debt issuance to finance the Acxiom transaction, which closed on October 1, 2018.

Credit Facility and Term Loan Covenants

(\$ in Millions)

Covenants	Last Twelve Months Ended June 30, 2019
I. Interest Coverage Ratio (not less than):	5.00x
Actual Interest Coverage Ratio:	8.20x
II. Leverage Ratio (not greater than):	4.00x
Actual Leverage Ratio:	2.66x
<u>Interest Expense Reconciliation</u> ⁽¹⁾	<u>Last Twelve Months Ended June 30, 2019</u>
Interest Expense:	\$201.7
- Interest Income	28.6
- Other	0.3
Net Interest Expense:	<u>\$172.8</u>
<u>EBITDA Reconciliation</u> ⁽¹⁾	<u>Last Twelve Months Ended June 30, 2019</u>
Operating Income:	\$1,066.5
+ Depreciation and Amortization	350.6
EBITDA:	<u>\$1,417.1</u>

⁽¹⁾ Calculated as defined in the Credit Facility and Term Loan agreements. As permitted, we have reflected the Acxiom Acquisition and the issuance of Senior Notes and the Term Loan on a pro forma basis as if the transactions had occurred as of the first day of the four quarters ended June 30, 2019. The unaudited pro forma financial information used is not indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the period.

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;
- 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.