



FOURTH QUARTER & FULL YEAR 2020
EARNINGS CONFERENCE CALL

Interpublic Group
February 10, 2021

Overview — Fourth Quarter & Full Year 2020

- Fourth Quarter 2020 net revenue change was -6.1% and organic change was -5.4%
 - U.S. organic change of net revenue was -1.8%
 - International organic change of net revenue was -10.5%
- Fourth Quarter net income as reported was \$112.3 million and adjusted EBITA before restructuring charges was \$498.8 million with margin of 21.8%
- Fourth Quarter diluted EPS was \$0.28, and adjusted diluted EPS was \$0.86
- FY-20 net revenue change was -6.5% and organic change was -4.8%
- FY-20 cash flow from operations was \$1.85 billion
- FY-20 restructuring program charges of \$413.8 million targeted to reduce annualized expenses by approximately \$160 million
- Increased quarterly common share dividend 6% to \$0.27

"Organic growth" refers exclusively to the organic change of net revenue. Adjusted EBITA before restructuring charges is calculated as net income available to IPG common stockholders before provision for income taxes, total (expenses) and other income, equity in net income of unconsolidated affiliates, net income attributable to noncontrolling interests, amortization of acquired intangibles and restructuring charges. Adjusted diluted EPS is adjusted for amortization of acquired intangibles, restructuring charges and net losses on sales of businesses. 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 December 31,	
	2020	2019
Net Revenue	\$ 2,284.4	\$ 2,433.0
Billable Expenses	265.6	468.8
Total Revenue	2,550.0	2,901.8
Salaries and Related Expenses	1,346.2	1,432.1
Office and Other Direct Expenses	364.8	419.7
Billable Expenses	265.6	468.8
Cost of Services	1,976.6	2,320.6
Selling, General and Administrative Expenses	22.4	24.5
Depreciation and Amortization	73.7	65.4
Restructuring Charges	253.9	—
Total Operating Expense	2,326.6	2,410.5
Operating Income	223.4	491.3
Interest Expense, net	(40.0)	(38.7)
Other Expense, net	(9.8)	(24.8)
Income Before Income Taxes	173.6	427.8
Provision for Income Taxes	58.1	86.1
Equity in Net Income of Unconsolidated Affiliates	1.5	0.5
Net Income	117.0	342.2
Net Income Attributable to Noncontrolling Interests	(4.7)	(13.3)
Net Income Available to IPG Common Stockholders	\$ 112.3	\$ 328.9
Earnings per Share Available to IPG Common Stockholders - Basic	\$ 0.29	\$ 0.85
Earnings per Share Available to IPG Common Stockholders - Diluted	\$ 0.28	\$ 0.84
Weighted-Average Number of Common Shares Outstanding - Basic	390.5	386.9
Weighted-Average Number of Common Shares Outstanding - Diluted	396.1	393.3
Dividends Declared per Common Share	\$ 0.255	\$ 0.235

(\$ in Millions, except per share amounts)

Net Revenue

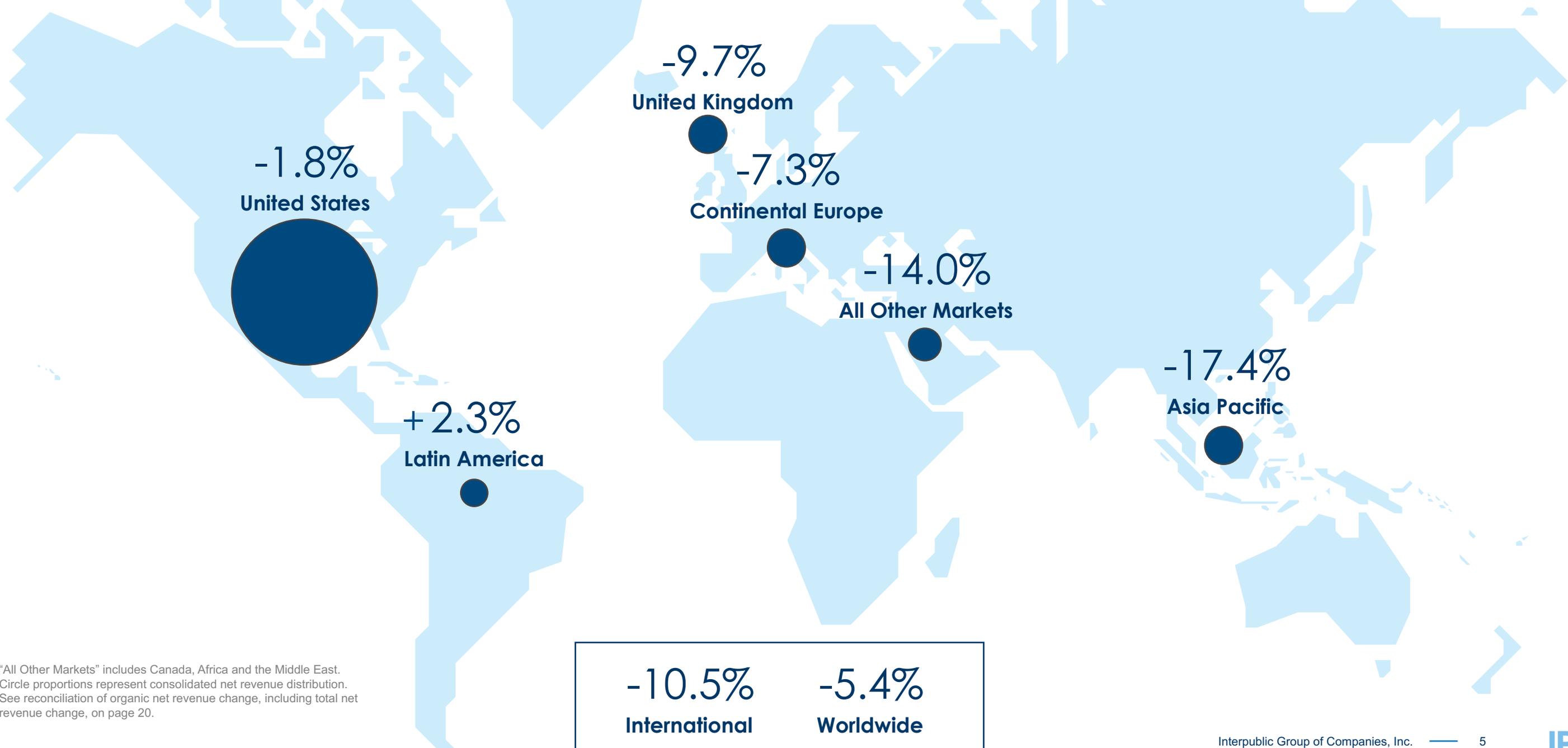
	Three Months Ended		Twelve Months Ended	
	\$	% Change	\$	% Change
December 31, 2019	\$ 2,433.0		\$ 8,625.1	
Foreign currency	3.2	0.1%	(68.5)	(0.8%)
Net acquisitions/(divestitures)	(20.3)	(0.8%)	(79.1)	(0.9%)
Organic	(131.5)	(5.4%)	(413.0)	(4.8%)
Total change	(148.6)	(6.1%)	(560.6)	(6.5%)
December 31, 2020	\$ 2,284.4		\$ 8,064.5	

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2020	2019 ⁽¹⁾	Change		2020	2019 ⁽¹⁾	Change	
Organic			Total	Organic			Total	
IAN	\$ 1,985.7	\$ 2,082.4	(3.8%)	(4.6%)	\$ 6,921.4	\$ 7,328.8	(3.6%)	(5.6%)
DXTRA	\$ 298.7	\$ 350.6	(15.1%)	(14.8%)	\$ 1,143.1	\$ 1,296.3	(11.2%)	(11.8%)

⁽¹⁾ Results for the three months and twelve months ended December 31, 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 December 31, 2020



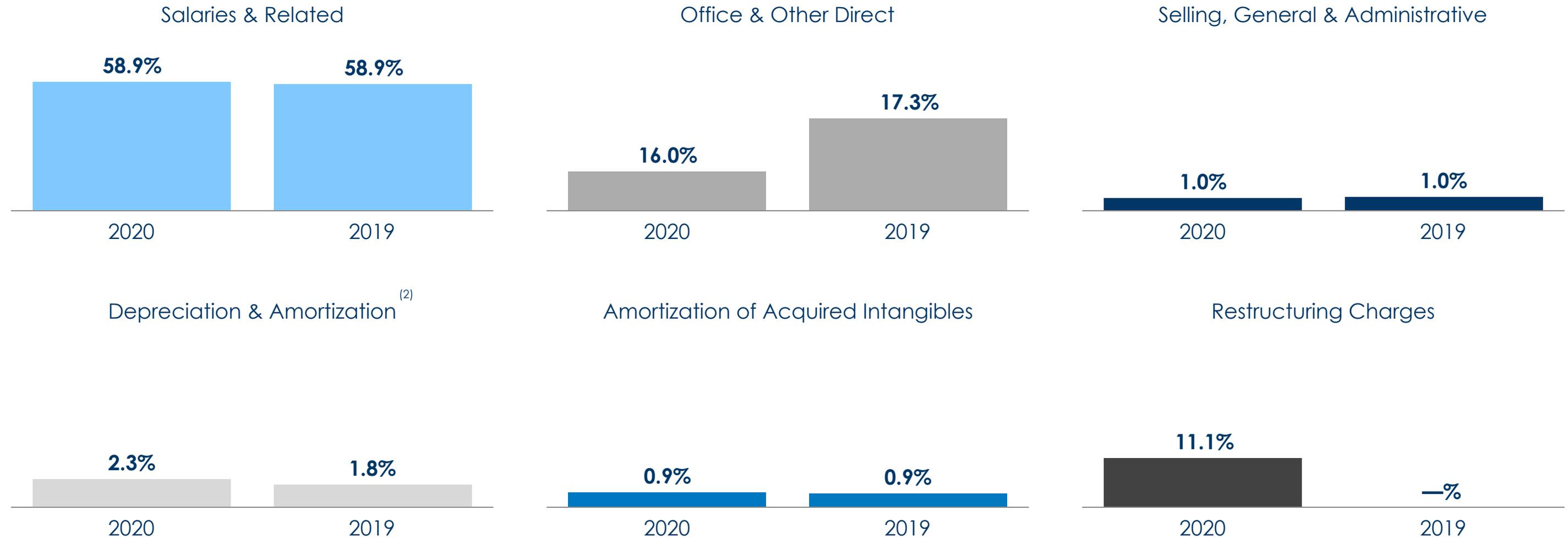
"All Other Markets" includes Canada, Africa and the Middle East.
 Circle proportions represent consolidated net revenue distribution.
 See reconciliation of organic net revenue change, including total net revenue change, on page 20.

-10.5%
International

-5.4%
Worldwide

Operating Expenses % of Net Revenue ⁽¹⁾

Three Months Ended December 31



⁽¹⁾ Excludes billable expenses

⁽²⁾ Excludes amortization of acquired intangibles.

2020 Review of Operating Expenses

- Identified and actioned opportunities for structural expense reduction in real estate and headcount, reflecting new operating environment
- Restructuring program expanded over the course of the year as additional real estate and organizational efficiencies were identified
- FY-20 charge for restructuring was \$413.8 million of which \$265.6 million (64%) was non-cash
- Program actions included 1.7 million leased square feet (15% of 12/31/19 footprint)
- Expect to realize annualized expense savings of approximately \$160 million

Adjusted Diluted Earnings Per Share

Three Months Ended December 31, 2020

	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽¹⁾	\$ 223.4	\$ (21.5)	\$ (253.9)		\$ 498.8
Total (Expenses) and Other Income ⁽²⁾	(49.8)			\$ (15.2)	(34.6)
Income Before Income Taxes	173.6	(21.5)	(253.9)	(15.2)	464.2
Provision for Income Taxes	58.1	4.2	56.9	2.0	121.2
<i>Effective Tax Rate</i>	33.5%				26.1%
Equity in Net Income of Unconsolidated Affiliates	1.5				1.5
Net Income Attributable to Noncontrolling Interests	(4.7)				(4.7)
DILUTED EPS COMPONENTS:					
Net Income Available to IPG Common Stockholders	\$ 112.3	\$ (17.3)	\$ (197.0)	\$ (13.2)	\$ 339.8
Weighted-Average Number of Common Shares Outstanding	396.1				396.1
Earnings per Share Available to IPG Common Stockholders ⁽³⁾	\$ 0.28	\$ (0.04)	\$ (0.50)	\$ (0.03)	\$ 0.86

⁽¹⁾ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on slide 24.

⁽²⁾ Consists of non-operating expenses including interest expense, net and other expense, net.

⁽³⁾ Earnings per share may not add due to rounding.

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

Adjusted Diluted Earnings Per Share

Twelve Months Ended December 31, 2020

	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Various Discrete Tax Items ⁽¹⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽²⁾	\$ 588.4	\$ (85.9)	\$ (413.8)			\$ 1,088.1
Total (Expenses) and Other Income ⁽³⁾	(227.1)			\$ (67.0)		(160.1)
Income Before Income Taxes	361.3	(85.9)	(413.8)	(67.0)		928.0
Provision for Income Taxes	8.0	16.9	93.1	5.0	\$ 122.6	245.6
<i>Effective Tax Rate</i>	2.2%					26.5%
Equity in Net Income of Unconsolidated Affiliates	0.9					0.9
Net Income Attributable to Noncontrolling Interests	(3.1)					(3.1)
DILUTED EPS COMPONENTS:						
Net Income Available to IPG Common Stockholders	\$ 351.1	\$ (69.0)	\$ (320.7)	\$ (62.0)	\$ 122.6	\$ 680.2
Weighted-Average Number of Common Shares Outstanding	393.2					393.2
Earnings per Share Available to IPG Common Stockholders ⁽⁴⁾	\$ 0.89	\$ (0.18)	\$ (0.82)	\$ (0.16)	\$ 0.31	\$ 1.73

⁽¹⁾ Includes a tax benefit of \$136.2 related to the finalization and settlement of the U.S. Federal income tax audit of the years 2006 through 2016, partially offset by \$13.6 of tax expense related to the estimated costs associated with our change in our APB 23 assertion for 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 interest expense, net and other expense, net.

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

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

(\$ in Millions, except per share amounts)

Cash Flow

		Twelve Months Ended December 31,	
		2020	2019
Net Income		\$ 354.2	\$ 673.9
OPERATING ACTIVITIES:	Depreciation & amortization	369.0	368.0
	Non-cash restructuring charges ⁽¹⁾	265.6	11.7
	Other non-cash items	79.5	16.9
	Net losses on sales of businesses	67.0	43.4
	Deferred taxes	(46.4)	9.7
	Change in working capital, net	900.1	442.8
	Change in other non-current assets & liabilities	(141.8)	(37.2)
	Net cash provided by Operating Activities	1,847.2	1,529.2
INVESTING ACTIVITIES:	Capital expenditures	(167.5)	(198.5)
	Acquisitions, net of cash acquired	(4.9)	(0.6)
	Other investing activities	(43.8)	37.4
	Net cash used in Investing Activities	(216.2)	(161.7)
FINANCING ACTIVITIES:	Repayment of long-term debt	(503.7)	(403.3)
	Common stock dividends	(398.1)	(363.1)
	Acquisition-related payments	(46.6)	(15.8)
	Tax payments for employee shares withheld	(22.3)	(22.4)
	Distributions to noncontrolling interests	(19.5)	(21.6)
	Proceeds from long-term debt	646.2	—
	Exercise of stock options	6.5	4.3
	Net increase (decrease) in short-term borrowings	1.5	(19.8)
	Other financing activities	(10.2)	(1.3)
	Net cash used in Financing Activities	(346.2)	(843.0)
	Currency effect	31.0	(6.0)
Net increase in cash, cash equivalents and restricted cash		\$ 1,315.8	\$ 518.5

⁽¹⁾ Includes \$209.9 related to change in operating lease right-of-use assets and liabilities resulting from 2020 restructuring actions.

(\$ in Millions)

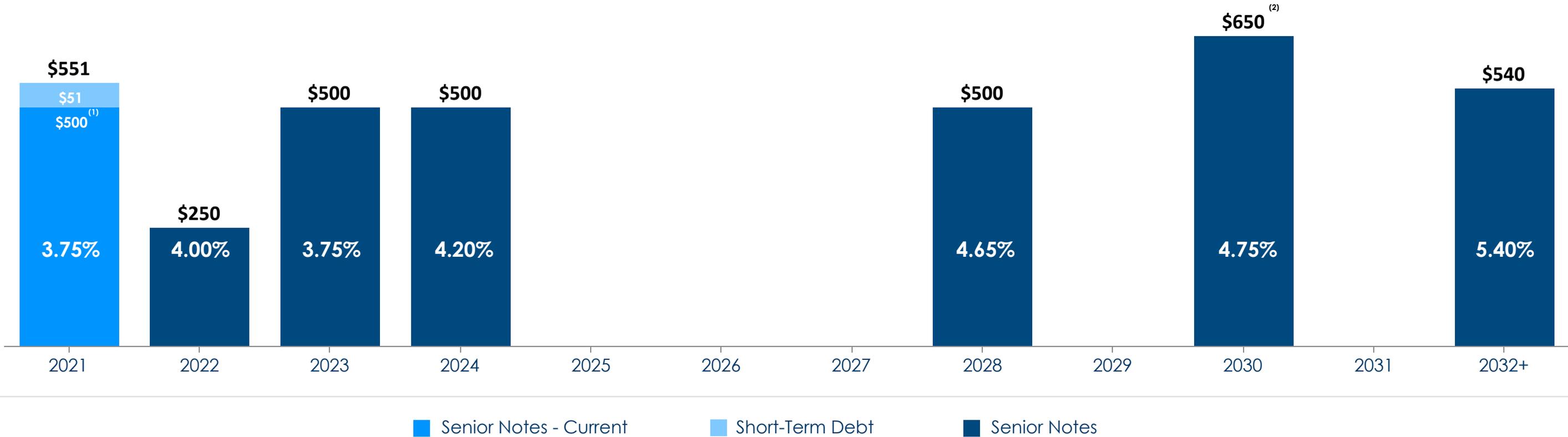
Balance Sheet — Current Portion

	December 31, 2020	December 31, 2019
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,509.0	\$ 1,192.2
Accounts receivable, net	4,646.4	5,209.2
Accounts receivable, billable to clients	1,820.7	1,934.1
Assets held for sale	0.8	22.8
Other current assets	390.7	412.4
Total current assets	\$ 9,367.6	\$ 8,770.7
CURRENT LIABILITIES:		
Accounts payable	\$ 7,269.7	\$ 7,205.4
Accrued liabilities	832.4	742.8
Contract liabilities	657.8	585.6
Short-term borrowings	48.0	52.4
Current portion of long-term debt	502.5	502.0
Current portion of operating leases	268.5	267.2
Liabilities held for sale	1.6	65.0
Total current liabilities	\$ 9,580.5	\$ 9,420.4

(\$ in Millions)

Debt Maturity Schedule

Total Debt = \$3.5 billion



⁽¹⁾ Senior Notes due on October 1, 2021.
⁽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 December 31, 2020.

(\$ in Millions)



Summary

- Intense focus on navigating the impact of COVID-19 and well-positioned to participate in the global economic recovery
- Foundation for sustained growth
 - Quality of our agency offerings
 - Exceptional talent
 - “Open architecture” solutions
 - Data management at scale
 - Strong creative and innovative marketing & media solutions
 - Integrated digital and digital specialists
- Effective expense management is an ongoing priority
- Financial strength a continued source of value creation



Appendix

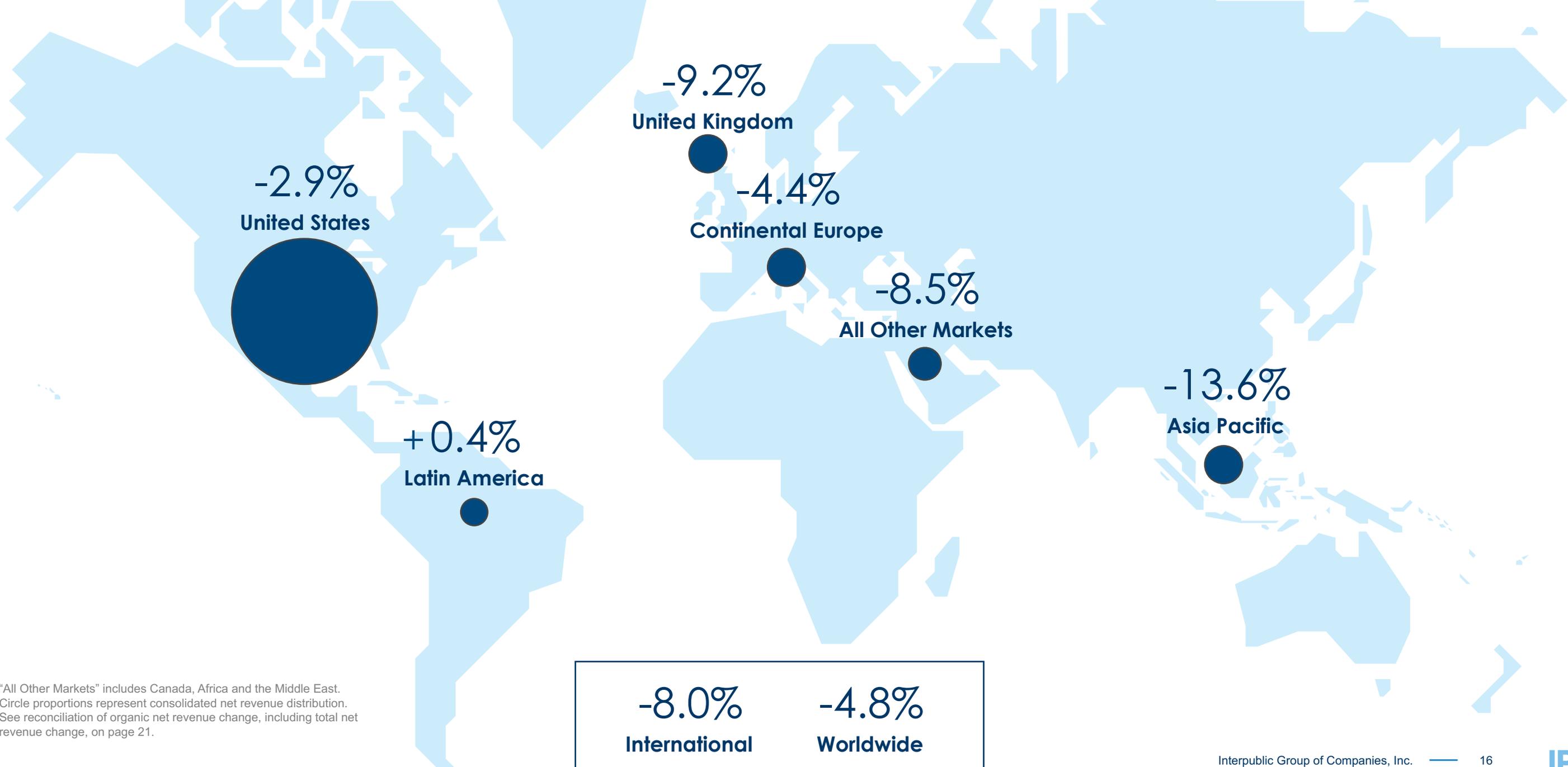
Operating Performance

	Twelve Months Ended December 31,	
	2020	2019
Net Revenue	\$ 8,064.5	\$ 8,625.1
Billable Expenses	996.5	1,596.2
Total Revenue	9,061.0	10,221.3
Salaries and Related Expenses	5,345.0	5,568.8
Office and Other Direct Expenses	1,367.9	1,564.1
Billable Expenses	996.5	1,596.2
Cost of Services	7,709.4	8,729.1
Selling, General and Administrative Expenses	58.8	93.8
Depreciation and Amortization	290.6	278.5
Restructuring Charges	413.8	33.9
Total Operating Expense	8,472.6	9,135.3
Operating Income	588.4	1,086.0
Interest Expense, net	(162.7)	(164.8)
Other Expense, net	(64.4)	(42.9)
Income Before Income Taxes	361.3	878.3
Provision for Income Taxes	8.0	204.8
Equity in Net Income of Unconsolidated Affiliates	0.9	0.4
Net Income	354.2	673.9
Net Income Attributable to Noncontrolling Interests	(3.1)	(17.9)
Net Income Available to IPG Common Stockholders	\$ 351.1	\$ 656.0
Earnings per Share Available to IPG Common Stockholders - Basic	\$ 0.90	\$ 1.70
Earnings per Share Available to IPG Common Stockholders - Diluted	\$ 0.89	\$ 1.68
Weighted-Average Number of Common Shares Outstanding - Basic	389.4	386.1
Weighted-Average Number of Common Shares Outstanding - Diluted	393.2	391.2
Dividends Declared per Common Share	\$ 1.020	\$ 0.940

(\$ in Millions, except per share amounts)

Organic Net Revenue Change by Region

Twelve Months Ended December 31, 2020

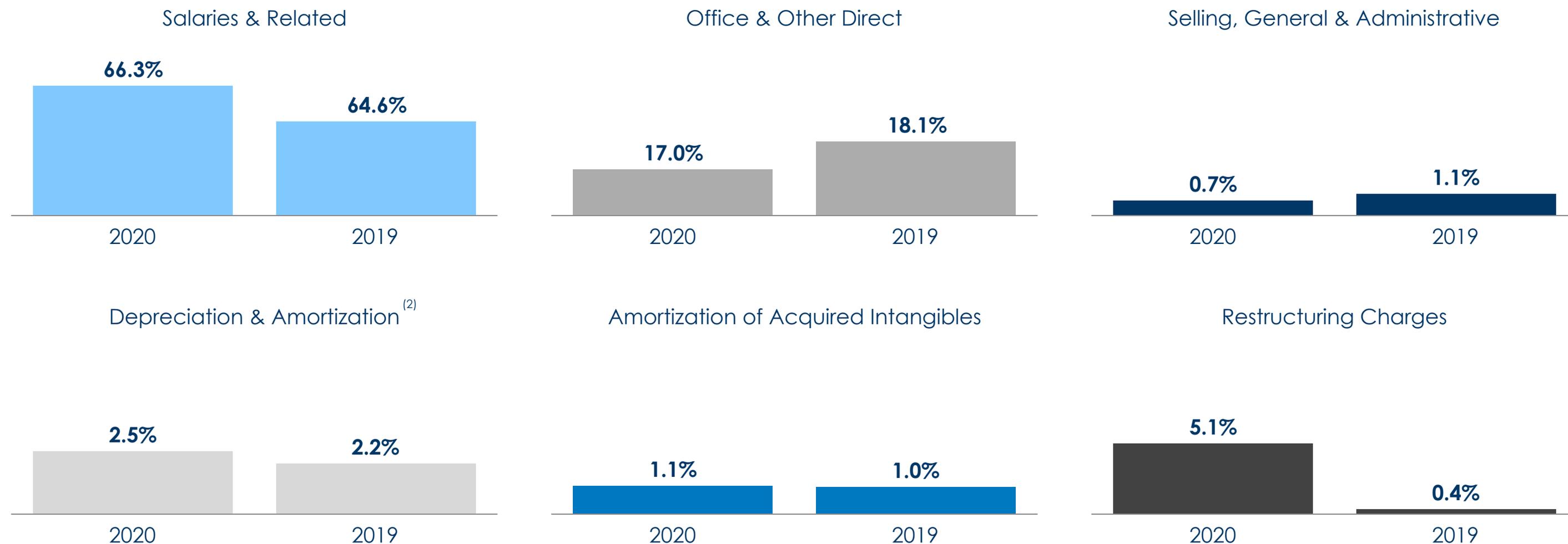


"All Other Markets" includes Canada, Africa and the Middle East.
 Circle proportions represent consolidated net revenue distribution.
 See reconciliation of organic net revenue change, including total net revenue change, on page 21.



Operating Expenses % of Net Revenue⁽¹⁾

Twelve Months Ended December 31



⁽¹⁾ Excludes billable expenses

⁽²⁾ Excludes amortization of acquired intangibles.

Cash Flow

		Three Months Ended December 31,	
		2020	2019
Net Income		\$ 117.0	\$ 342.2
OPERATING ACTIVITIES:	Non-cash restructuring charges ⁽¹⁾	169.9	—
	Depreciation & amortization	87.1	89.6
	Net losses on sales of businesses	15.2	23.9
	Other non-cash items	9.0	10.8
	Deferred taxes	(37.0)	11.2
	Change in working capital, net	1,159.8	603.1
	Change in other non-current assets & liabilities	1.1	24.8
	Net cash provided by Operating Activities	1,522.1	1,105.6
INVESTING ACTIVITIES:	Capital expenditures	(55.5)	(64.7)
	Acquisitions, net of cash acquired	(2.4)	—
	Other investing activities	(25.8)	23.7
	Net cash used in Investing Activities	(83.7)	(41.0)
FINANCING ACTIVITIES:	Repayment of long-term debt	(503.2)	(103.1)
	Common stock dividends	(99.5)	(90.9)
	Acquisition-related payments	(6.0)	(0.5)
	Distributions to noncontrolling interests	(5.8)	(9.2)
	Net decrease in short-term borrowings	(0.4)	(192.9)
	Tax payments for employee shares withheld	(0.1)	(0.1)
	Exercise of stock options	6.5	0.1
	Other financing activities	—	(1.4)
	Net cash used in Financing Activities	(608.5)	(398.0)
	Currency effect	51.3	5.1
Net increase in cash, cash equivalents and restricted cash		\$ 881.2	\$ 671.7

⁽¹⁾ Includes \$135.9 related to change in operating lease right-of-use assets and liabilities resulting from fourth quarter 2020 restructuring actions.

(\$ in Millions)

Depreciation and Amortization

	2020				FY 2020
	Q1	Q2	Q3	Q4	
Depreciation and amortization ⁽¹⁾	\$ 51.5	\$ 51.3	\$ 49.7	\$ 52.2	\$ 204.7
Amortization of acquired intangibles	21.3	21.8	21.3	21.5	85.9
Amortization of restricted stock and other non-cash compensation	23.2	12.6	20.6	10.6	67.0
Net amortization of bond discounts and deferred financing costs	2.3	3.0	3.3	2.8	11.4

	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

		Three Months Ended December 31, 2019	Components of Change			Three Months Ended December 31, 2020	Change	
			Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
SEGMENT:	IAN ⁽¹⁾	\$ 2,082.4	\$ 0.0	\$ (18.1)	\$ (78.6)	\$ 1,985.7	(3.8%)	(4.6%)
	DXTRA ⁽¹⁾	350.6	3.2	(2.2)	(52.9)	298.7	(15.1%)	(14.8%)
	Total	\$ 2,433.0	\$ 3.2	\$ (20.3)	\$ (131.5)	\$ 2,284.4	(5.4%)	(6.1%)
GEOGRAPHIC:	United States	\$ 1,421.3	\$ —	\$ (5.2)	\$ (25.3)	\$ 1,390.8	(1.8%)	(2.1%)
	International	1,011.7	3.2	(15.1)	(106.2)	893.6	(10.5%)	(11.7%)
	United Kingdom	204.2	4.4	0.6	(19.8)	189.4	(9.7%)	(7.2%)
	Continental Europe	246.6	10.5	(9.2)	(18.0)	229.9	(7.3%)	(6.8%)
	Asia Pacific	270.2	4.4	(4.4)	(47.1)	223.1	(17.4%)	(17.4%)
	Latin America	119.7	(17.2)	(1.9)	2.7	103.3	2.3%	(13.7%)
	All Other Markets	171.0	1.1	(0.2)	(24.0)	147.9	(14.0%)	(13.5%)
	Worldwide	\$ 2,433.0	\$ 3.2	\$ (20.3)	\$ (131.5)	\$ 2,284.4	(5.4%)	(6.1%)

⁽¹⁾ Results for the three months ended December 31, 2019 have been recast to conform to the current-period presentation.

(\$ in Millions)

Reconciliation of Organic Net Revenue

		Twelve Months Ended December 31, 2019	Components of Change			Twelve Months Ended December 31, 2020	Change	
			Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
SEGMENT:	IAN ⁽¹⁾	\$ 7,328.8	\$ (66.9)	\$ (73.3)	\$ (267.2)	\$ 6,921.4	(3.6%)	(5.6%)
	DXTRA ⁽¹⁾	1,296.3	(1.6)	(5.8)	(145.8)	1,143.1	(11.2%)	(11.8%)
	Total	\$ 8,625.1	\$ (68.5)	\$ (79.1)	\$ (413.0)	\$ 8,064.5	(4.8%)	(6.5%)
GEOGRAPHIC:	United States	\$ 5,386.1	\$ —	\$ (20.9)	\$ (153.8)	\$ 5,211.4	(2.9%)	(3.2%)
	International	3,239.0	(68.5)	(58.2)	(259.2)	2,853.1	(8.0%)	(11.9%)
	United Kingdom	727.0	2.4	1.7	(66.8)	664.3	(9.2%)	(8.6%)
	Continental Europe	742.4	5.9	(31.9)	(32.8)	683.6	(4.4%)	(7.9%)
	Asia Pacific	858.3	(7.9)	(23.4)	(116.5)	710.5	(13.6%)	(17.2%)
	Latin America	389.9	(63.8)	(4.1)	1.4	323.4	0.4%	(17.1%)
	All Other Markets	521.4	(5.1)	(0.5)	(44.5)	471.3	(8.5%)	(9.6%)
	Worldwide	\$ 8,625.1	\$ (68.5)	\$ (79.1)	\$ (413.0)	\$ 8,064.5	(4.8%)	(6.5%)

⁽¹⁾ Results for the twelve months ended December 31, 2019 have been recast to conform to the current-period presentation.

(\$ in Millions)

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended December 31, 2020				
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽²⁾	\$ 223.4	\$ (21.5)	\$ (253.9)		\$ 498.8
Total (Expenses) and Other Income ⁽³⁾	(49.8)			\$ (15.2)	(34.6)
Income Before Income Taxes	173.6	(21.5)	(253.9)	(15.2)	464.2
Provision for Income Taxes	58.1	4.2	56.9	2.0	121.2
<i>Effective Tax Rate</i>	33.5%				26.1%
Equity in Net Income of Unconsolidated Affiliates	1.5				1.5
Net Income Attributable to Noncontrolling Interests	(4.7)				(4.7)
Net Income Available to IPG Common Stockholders	\$ 112.3	\$ (17.3)	\$ (197.0)	\$ (13.2)	\$ 339.8
Weighted-Average Number of Common Shares Outstanding - Basic	390.5				390.5
Dilutive effect of stock options and restricted shares	5.6				5.6
Weighted-Average Number of Common Shares Outstanding - Diluted	396.1				396.1
Earnings per Share Available to IPG Common Stockholders ⁽⁴⁾:					
Basic	\$ 0.29	\$ (0.04)	\$ (0.50)	\$ (0.03)	\$ 0.87
Diluted	\$ 0.28	\$ (0.04)	\$ (0.50)	\$ (0.03)	\$ 0.86

⁽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 interest expense, net and other expense, net.

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

(\$ in Millions, except per share amounts)

Interpublic Group of Companies, Inc.

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Reconciliation of Adjusted Results ⁽¹⁾

	Twelve Months Ended December 31, 2020					
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Various Discrete Tax Items ⁽²⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽³⁾	\$ 588.4	\$ (85.9)	\$ (413.8)			\$ 1,088.1
Total (Expenses) and Other Income ⁽⁴⁾	(227.1)			\$ (67.0)		(160.1)
Income Before Income Taxes	361.3	(85.9)	(413.8)	(67.0)		928.0
Provision for Income Taxes	8.0	16.9	93.1	5.0	\$ 122.6	245.6
<i>Effective Tax Rate</i>	2.2%					26.5%
Equity in Net Income of Unconsolidated Affiliates	0.9					0.9
Net Income Attributable to Noncontrolling Interests	(3.1)					(3.1)
Net Income Available to IPG Common Stockholders	\$ 351.1	\$ (69.0)	\$ (320.7)	\$ (62.0)	\$ 122.6	\$ 680.2
Weighted-Average Number of Common Shares Outstanding - Basic	389.4					389.4
Dilutive effect of stock options and restricted shares	3.8					3.8
Weighted-Average Number of Common Shares Outstanding - Diluted	393.2					393.2
Earnings per Share Available to IPG Common Stockholders ⁽⁵⁾:						
Basic	\$ 0.90	\$ (0.18)	\$ (0.82)	\$ (0.16)	\$ 0.31	\$ 1.75
Diluted	\$ 0.89	\$ (0.18)	\$ (0.82)	\$ (0.16)	\$ 0.31	\$ 1.73

⁽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⁾ Includes a tax benefit of \$136.2 related to the finalization and settlement of the U.S. Federal income tax audit of the years 2006 through 2016, partially offset by \$13.6 of tax expense related to the estimated costs associated with our change in our APB 23 assertion for 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 interest expense, net and other expense, net.

⁽⁵⁾ Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)

Reconciliation of Adjusted EBITA⁽¹⁾

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Net Revenue	\$ 2,284.4	\$ 2,433.0	\$ 8,064.5	\$ 8,625.1
Non-GAAP Reconciliation:				
Net Income Available to IPG Common Stockholders	\$ 112.3	\$ 328.9	\$ 351.1	\$ 656.0
Add Back:				
Provision for Income Taxes	58.1	86.1	8.0	204.8
Subtract:				
Total (Expenses) and Other Income	(49.8)	(63.5)	(227.1)	(207.7)
Equity in Net Income of Unconsolidated Affiliates	1.5	0.5	0.9	0.4
Net Income Attributable to Noncontrolling Interests	(4.7)	(13.3)	(3.1)	(17.9)
Operating Income	\$ 223.4	\$ 491.3	\$ 588.4	\$ 1,086.0
Add Back:				
Amortization of Acquired Intangibles	21.5	21.4	85.9	86.0
Adjusted EBITA	\$ 244.9	\$ 512.7	\$ 674.3	\$ 1,172.0
Adjusted EBITA Margin on Net Revenue %	10.7 %	21.1 %	8.4 %	13.6 %
Restructuring Charges ⁽²⁾	\$ 253.9	N/A	\$ 413.8	\$ 31.8
Adjusted EBITA before Restructuring Charges	\$ 498.8	N/A	\$ 1,088.1	\$ 1,203.8
Adjusted EBITA before Restructuring Charges Margin on Net Revenue %	21.8 %	N/A	13.5 %	14.0 %

⁽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, third and fourth quarters 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 twelve months ended December 31, 2019 only includes restructuring charges during the first quarter of 2019, which relate to a cost initiative to better align our cost structure with our revenue due to client losses occurring in 2018.

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended December 31, 2019				
	As Reported	Amortization of Acquired Intangibles	Net Losses on Sales of Businesses	Tax Valuation Allowance Reversals	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA ⁽²⁾	\$ 491.3	\$ (21.4)			\$ 512.7
Total (Expenses) and Other Income ⁽³⁾	(63.5)		\$ (24.0)		(39.5)
Income Before Income Taxes	427.8	(21.4)	(24.0)		473.2
Provision for Income Taxes	86.1	4.2	0.4	\$ 25.3	116.0
<i>Effective Tax Rate</i>	20.1%				24.5%
Equity in Net Income of Unconsolidated Affiliates	0.5				0.5
Net Income Attributable to Noncontrolling Interests	(13.3)				(13.3)
Net Income Available to IPG Common Stockholders	\$ 328.9	\$ (17.2)	\$ (23.6)	\$ 25.3	\$ 344.4
Weighted-Average Number of Common Shares Outstanding - Basic	386.9				386.9
Dilutive effect of stock options and restricted shares	6.4				6.4
Weighted-Average Number of Common Shares Outstanding - Diluted	393.3				393.3
Earnings per Share Available to IPG Common Stockholders ⁽⁴⁾:					
Basic	\$ 0.85	\$ (0.04)	\$ (0.06)	\$ 0.07	\$ 0.89
Diluted	\$ 0.84	\$ (0.04)	\$ (0.06)	\$ 0.06	\$ 0.88

⁽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 interest expense, net and other expense, net.

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

(\$ in Millions, except per share amounts)

Interpublic Group of Companies, Inc. — 25



Reconciliation of Adjusted Results ⁽¹⁾

	Twelve Months Ended December 31, 2019					
	As Reported	Amortization of Acquired Intangibles	Q1 2019 Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Various Discrete Tax Items ⁽²⁾	Adjusted Results (Non-GAAP)
Operating Income and Adjusted EBITA before Restructuring Charges ⁽³⁾	\$ 1,086.0	\$ (86.0)	\$ (31.8)			\$ 1,203.8
Total (Expenses) and Other Income ⁽⁴⁾	(207.7)			\$ (46.3)		(161.4)
Income Before Income Taxes	878.3	(86.0)	(31.8)	(46.3)		1,042.4
Provision for Income Taxes	204.8	16.9	7.6	0.4	\$ 39.2	268.9
Effective Tax Rate	23.3%					25.8%
Equity in Net Income of Unconsolidated Affiliates	0.4					0.4
Net Income Attributable to Noncontrolling Interests	(17.9)					(17.9)
Net Income Available to IPG Common Stockholders	\$ 656.0	\$ (69.1)	\$ (24.2)	\$ (45.9)	\$ 39.2	\$ 756.0
Weighted-Average Number of Common Shares Outstanding - Basic	386.1					386.1
Dilutive effect of stock options and restricted shares	5.1					5.1
Weighted-Average Number of Common Shares Outstanding - Diluted	391.2					391.2
Earnings per Share Available to IPG Common Stockholders ⁽⁵⁾:						
Basic	\$ 1.70	\$ (0.18)	\$ (0.06)	\$ (0.12)	\$ 0.10	\$ 1.96
Diluted	\$ 1.68	\$ (0.18)	\$ (0.06)	\$ (0.12)	\$ 0.10	\$ 1.93

⁽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⁾ Includes \$13.9 related to the settlement of certain tax positions in the second quarter of 2019 and \$25.3 related to tax valuation allowance reversals in the fourth quarter of 2019.

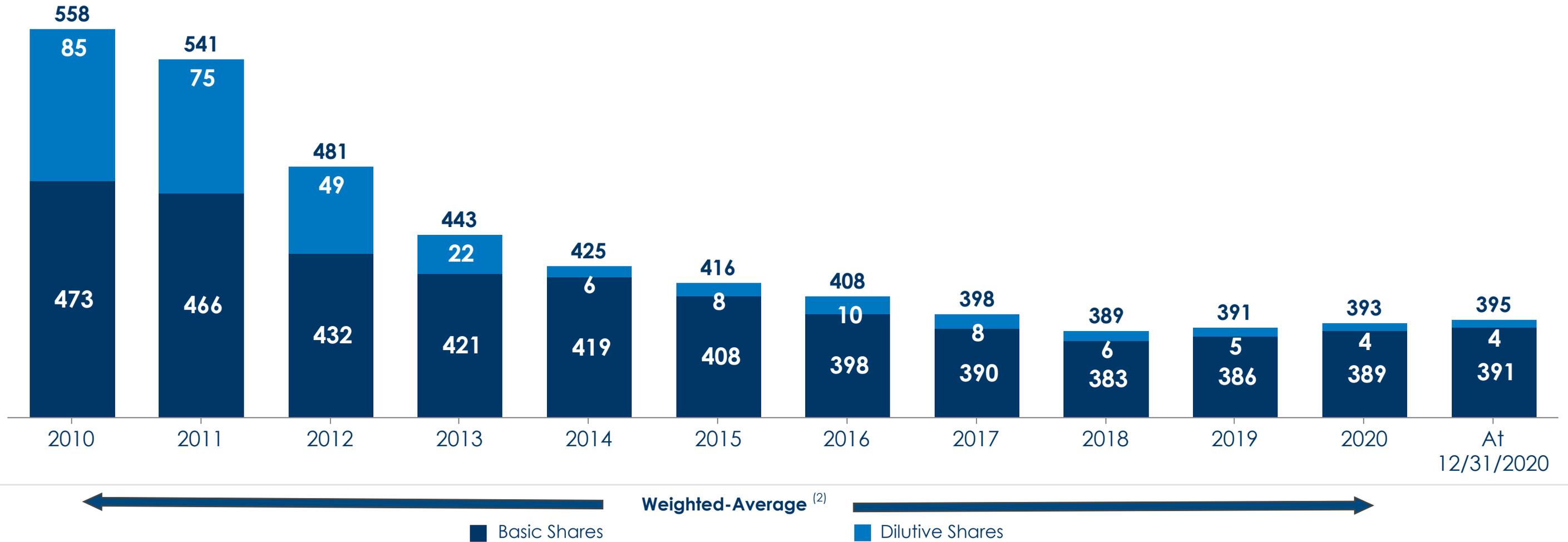
⁽³⁾ Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on slide 24.

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

⁽⁵⁾ Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)

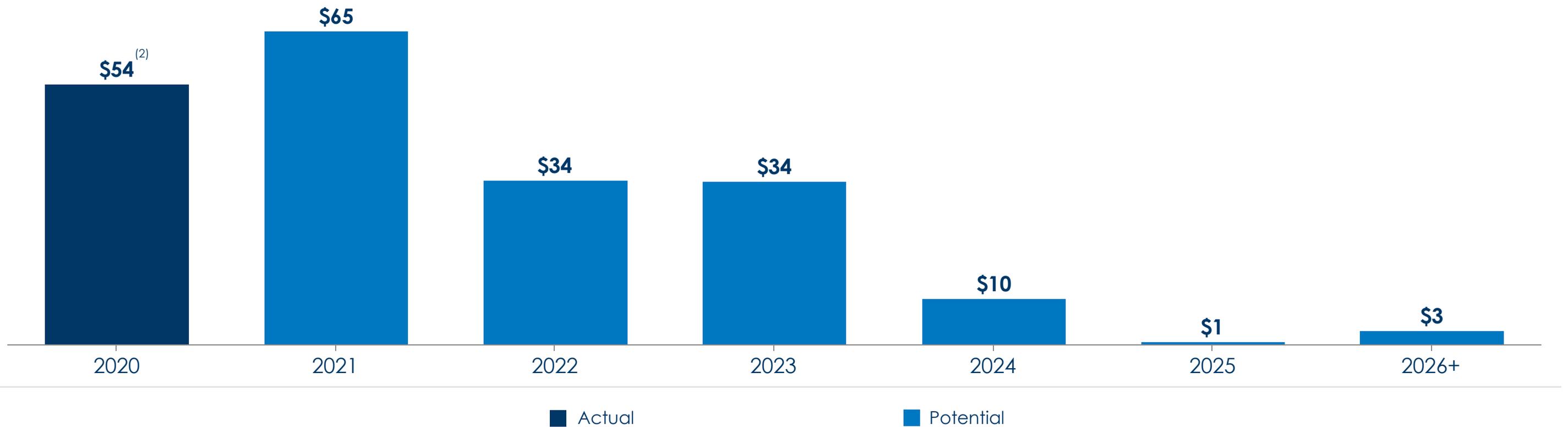
Total Shares: Basic and Eligible for Dilution⁽¹⁾



⁽¹⁾ Includes basic common shares outstanding, restricted shares, in-the-money stock options and convertible debt and preferred stock eligible for dilution.

⁽²⁾ Equals weighted-average shares outstanding as defined above for the twelve months ending December 31st for the periods presented.

Acquisition Payments⁽¹⁾



⁽¹⁾ Amounts represent payments related to our previous acquisitions based on current estimates of financial performance and are subject to change. Amounts include deferred payments, payments we may be required to make in connection with our redeemable noncontrolling interests and call options with affiliates. With respect to redeemable noncontrolling interests and call options with affiliates, the estimated payment amounts are shown as an obligation in the earliest year in which they are exercisable and payable, though some are eligible for exercise in multiple years and can also be paid over multiple years.

⁽²⁾ 2020 payments included \$3.0 recorded within Operating Activities in our Statement of Cash Flows.



Metrics Update

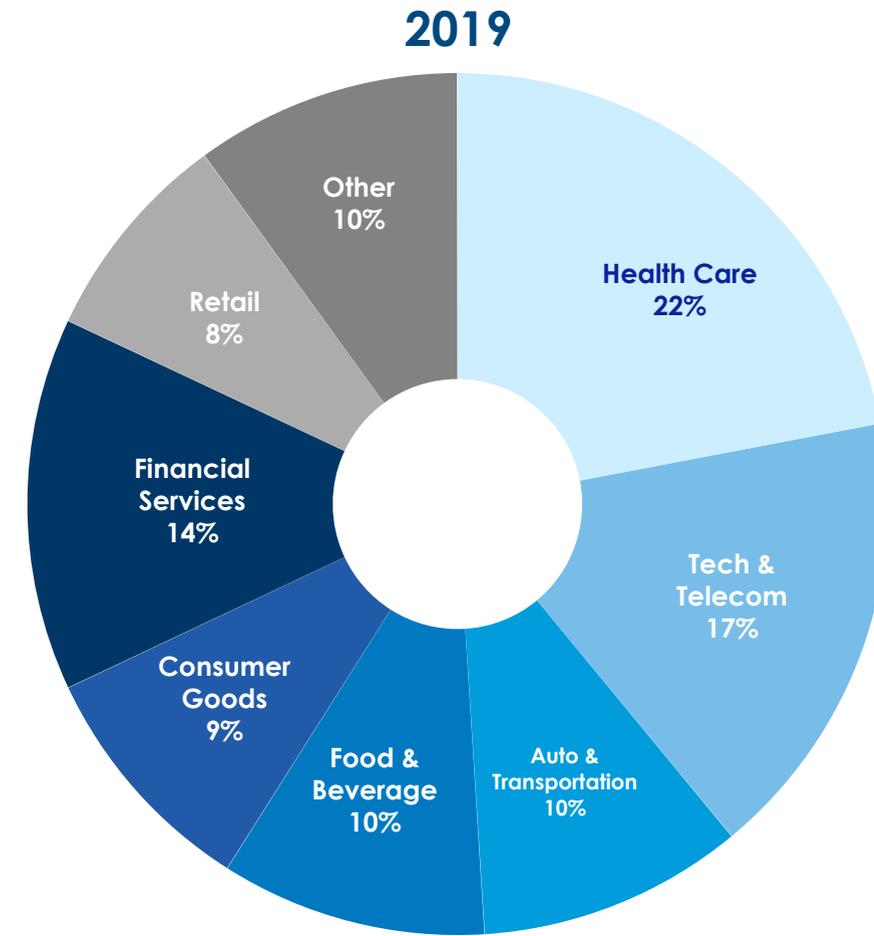
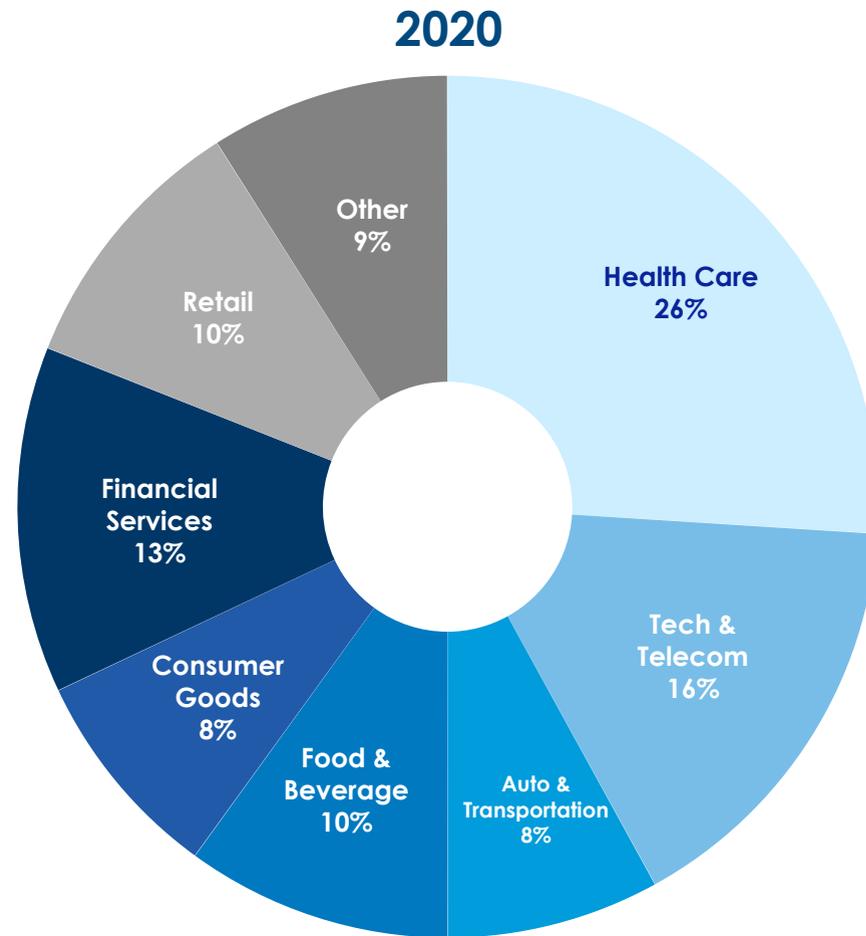
Metrics Update

CATEGORY:	NET REVENUE	SALARIES & RELATED (% of net revenue)	OFFICE & OTHER DIRECT (% of net revenue)	REAL ESTATE	FINANCIAL
METRIC:	By Client Sector	Twelve Months Ended	Twelve Months Ended	Total Square Feet	Available Liquidity
		Base, Benefits & Tax	Occupancy Expense		Credit Facilities Covenant
		Incentive Expense	All Other Office and Other Direct Expenses		
		Severance Expense			
		Temporary Help			



Net Revenue By Client Sector

Top 500 Clients for the Twelve Months Ended December 31

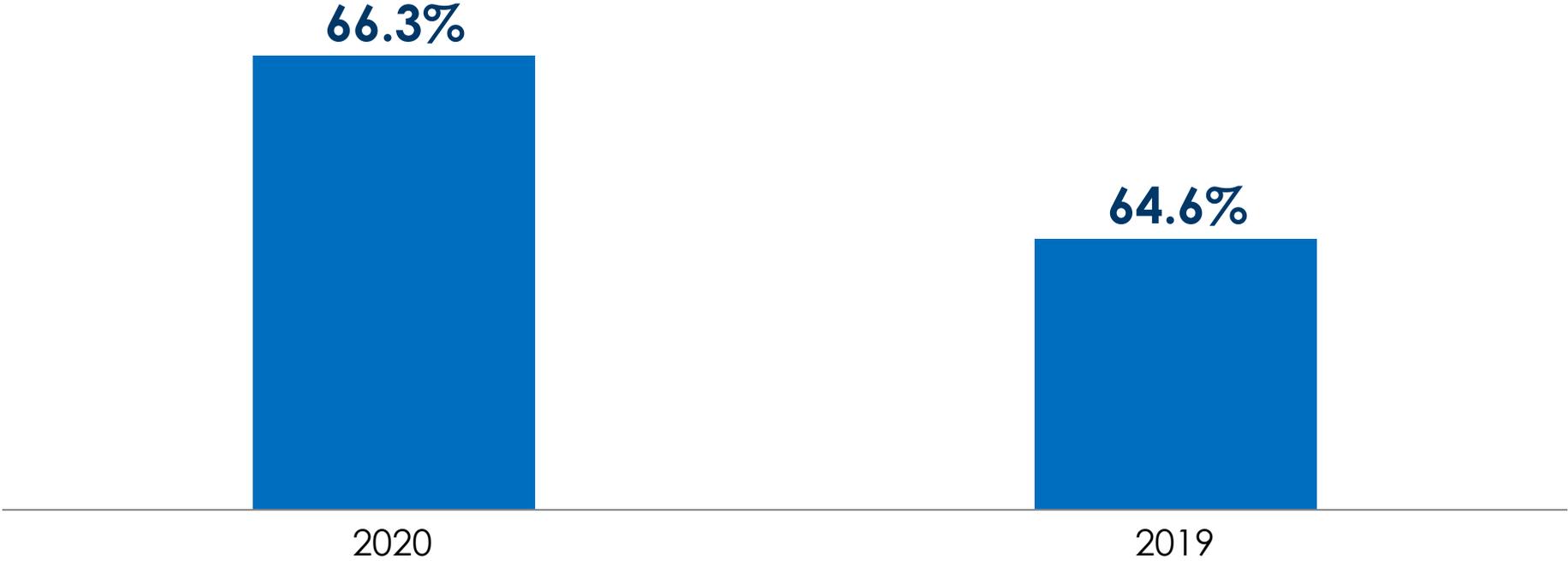


Approximately 85% of Consolidated Net Revenue

Salaries & Related Expenses

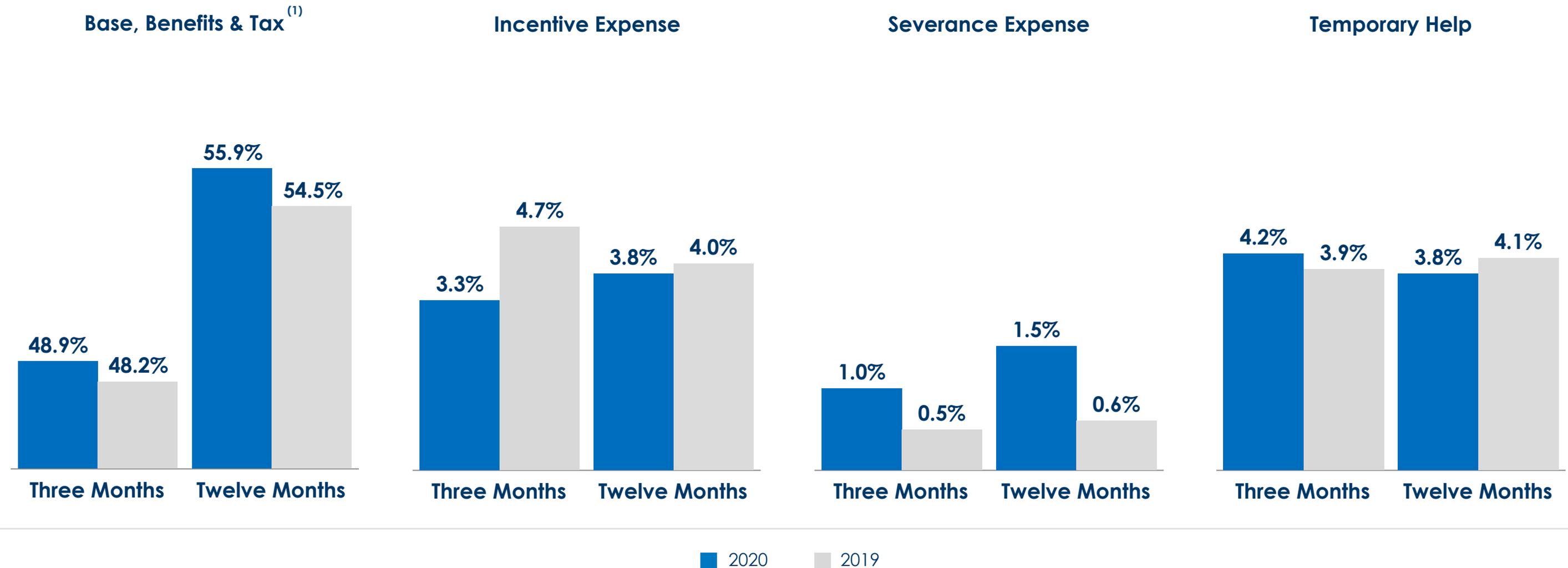
Twelve Months Ended December 31

% of Net Revenue



Salaries & Related Expenses (% of Net Revenue)

Three and Twelve Months Ended December 31

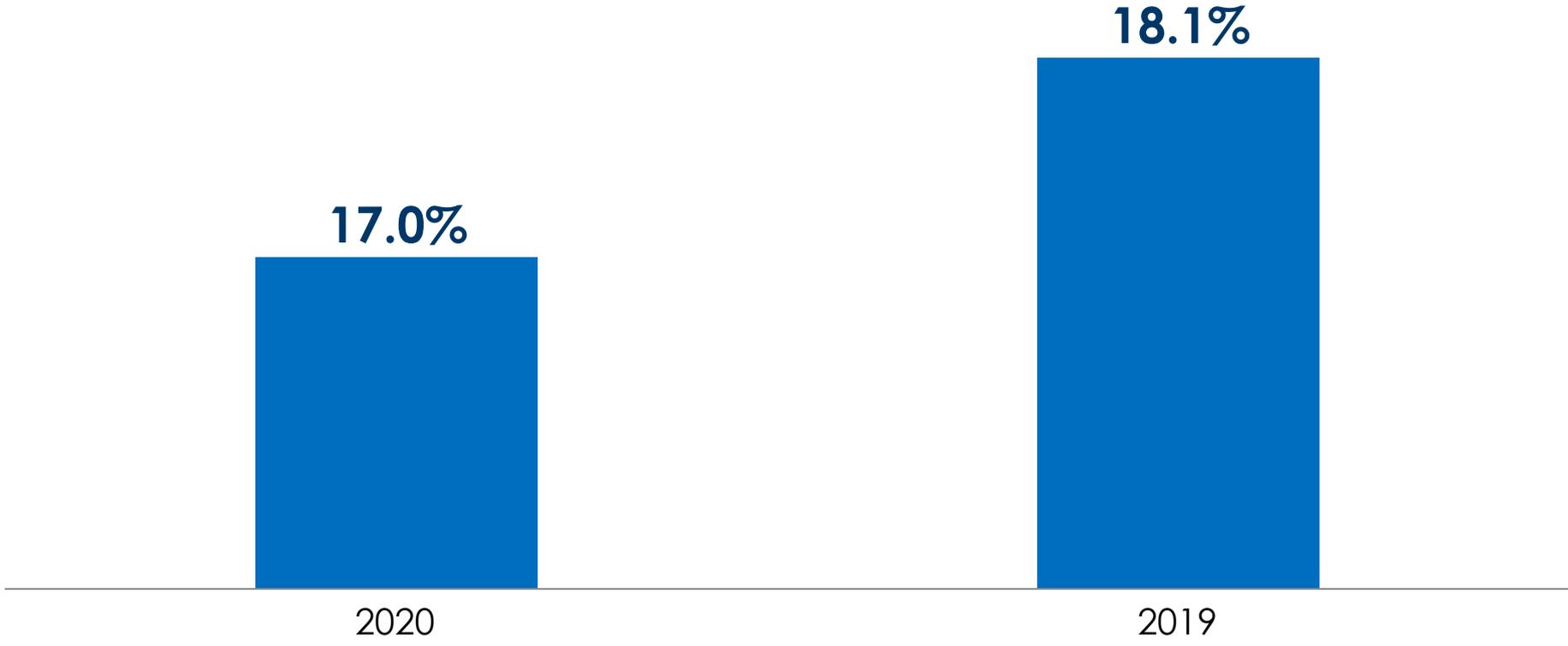


⁽¹⁾ Base, Benefits & Tax expense for the twelve months ended December 31, 2020 decreased compared to the same period in 2019. "All Other Salaries & Related," not shown, was 1.5% and 1.6% for the three months ended December 31, 2020 and 2019, respectively, and 1.3% and 1.4% for the twelve months ended December 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

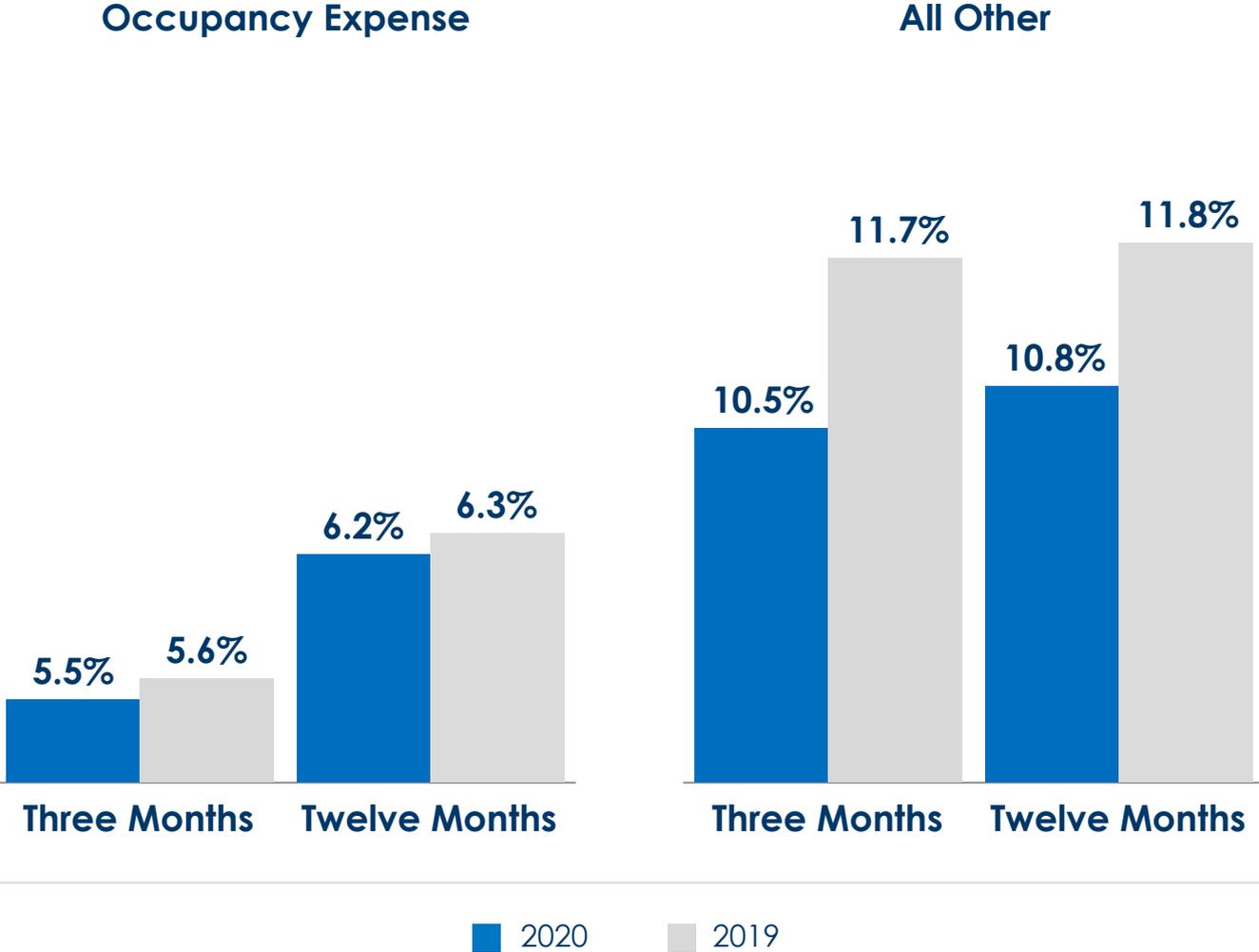
Twelve Months Ended December 31

% of Net Revenue



Office & Other Direct Expenses (% of Net Revenue)

Three and Twelve Months Ended December 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) and other expenses.



Real Estate

Total Square Feet as of December 31,

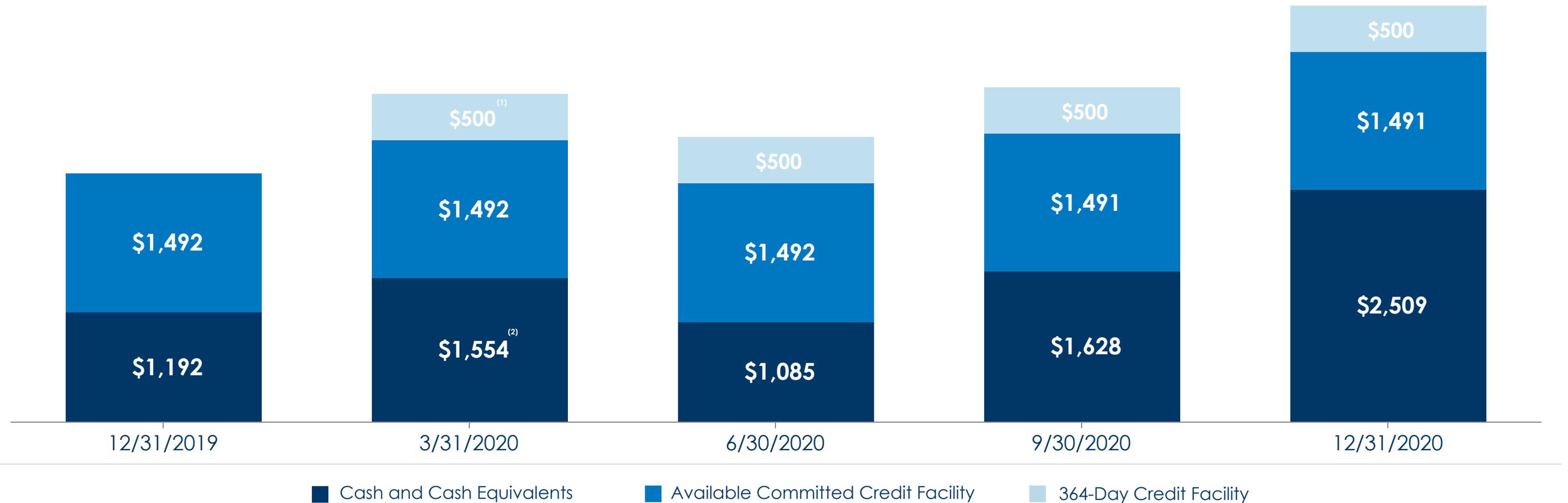


⁽¹⁾ Increase primarily due to the inclusion of Axiom real estate.

⁽²⁾ Decrease primarily due to real estate restructuring actions taken as part of the 2020 Restructuring Plan. See slide 7 for further details.

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.

Credit Facilities Covenant ⁽¹⁾

Covenants	Four Quarters Ended December 31, 2020
Leverage Ratio (not greater than) ^{(2) (3)}	4.25x
Actual Leverage Ratio	2.86x

CREDIT AGREEMENT EBITDA RECONCILIATION:	Four Quarters Ended December 31, 2020
Net Income Available to IPG Common Stockholders	\$ 351.1
+ Non-Operating Adjustments ⁽⁴⁾	237.3
Operating Income	\$ 588.4
+ Depreciation and Amortization	412.3
+ Other Non-cash Charges Reducing Operating Income	209.9
Credit Agreement EBITDA ⁽²⁾:	\$ 1,210.6

⁽¹⁾ The leverage ratio financial covenant applies to both our committed corporate credit facility, amended and restated as of November 1, 2019, (as further amended, the "Credit Agreement") and our 364-day credit facility entered into on March 27, 2020 and amended as of July 28, 2020 (as amended, 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 impacts of the novel coronavirus (COVID-19) pandemic and, the measures to contain its spread, including social distancing efforts and restrictions on businesses, social activities and travel, any failure to realize anticipated benefits from the rollout of COVID-19 vaccination campaigns and the resulting impact on the economy, our clients 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, including laws and regulations related to data protection and consumer privacy; and
- failure to fully realize the anticipated benefits of our 2020 restructuring actions and other cost-saving initiatives.

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.