Interpublic Group

FIRST QUARTER 2018 EARNINGS CONFERENCE CALL

April 27, 2018

Overview - First Quarter 2018

- Net revenue growth was 5.9%, organic growth of net revenue was 3.6%
  - U.S. organic growth was 4.3%
  - International organic growth was 2.6%
- Operating income was $38.8 million, an increase of 12% from a year ago, in seasonally small Q1
- Diluted EPS was $(0.04) and was $0.03 as adjusted for Q1 sales of small, non-strategic businesses
- Repurchased 2.4 million shares utilizing $55 million

"Organic growth" refers exclusively to the organic change of net revenue. See reconciliations of organic net revenue change on page 14 and adjusted non-GAAP diluted EPS on page 15.

Operating Performance

		Three Months Ended March 31,		
		2018		2017
Net Revenue	$	1,774.0	$	1,675.3
Billable Expenses		395.1		388.5
Total Revenue		2,169.1		2,063.8
Salaries and Related Expenses		1,330.3		1,251.7
Office and Other Direct Expenses		323.8		312.7
Billable Expenses		395.1		388.5
Selling, General and Administrative Expenses		35.1		35.2
Depreciation and Amortization		46.0		41.0
Operating Income		38.8		34.7
Interest Expense, net		(15.9)		(15.7)
Other (Expense) Income, net		(24.4)		0.8
(Loss) Income Before Income Taxes		(1.5)		19.8
Provision for (Benefit of) Income Taxes		12.7		(0.3)
Equity in Net (Loss) Income of Unconsolidated Affiliates		(1.9)		1.2
Net (Loss) Income		(16.1)		21.3
Net Loss Attributable to Noncontrolling Interests		2.0		3.4
Net (Loss) Income Available to IPG Common Stockholders	$	(14.1)	$	24.7
(Loss) Earnings per Share Available to IPG Common Stockholders - Basic	$	(0.04)	$	0.06
(Loss) Earnings per Share Available to IPG Common Stockholders - Diluted	$	(0.04)	$	0.06
Weighted-Average Number of Common Shares Outstanding - Basic		383.4		391.7
Weighted-Average Number of Common Shares Outstanding - Diluted		383.4		399.3
Dividends Declared per Common Share	$	0.21	$	0.18

(Amounts in Millions, except per share amounts)

Net Revenue

	Three Months Ended	
	$	% Change
March 31, 2017	**$ 1,675.3**	
Total change	98.7	5.9%
Foreign currency	49.5	3.0%
Net acquisitions/(divestitures)	(11.7)	(0.7%)
Organic	**60.9**	**3.6%**
March 31, 2018	**$ 1,774.0**	

	Three Months Ended March 31,			
			Change	
	2018	2017	Organic	Total
IAN	$ 1,481.3	$ 1,391.1	4.3%	6.5%
CMG	$ 292.7	$ 284.2	0.6%	3.0%

See reconciliations of segment organic net revenue change on page 14.

($ in Millions)

Geographic Net Revenue Change

	Three Months Ended March 31, 2018	
	Organic	**Total**
United States	4.3%	3.3%
International	2.6%	10.3%
United Kingdom	7.8%	20.9%
Continental Europe	(0.1%)	12.6%
Asia Pacific	(2.2%)	2.9%
Latin America	10.6%	7.1%
All Other Markets	1.9%	7.4%
Worldwide	**3.6%**	**5.9%**

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

See reconciliation of organic net revenue change on page 14.

Operating Expenses

	Three Months Ended March 31,		% Increase / (Decrease)
	2018	2017	
Salaries & Related	$ 1,330.3	$ 1,251.7	6.3%
% of Net Revenue	*75.0%*	*74.7%*	
Office & Other Direct	323.8	312.7	3.5%
% of Net Revenue	*18.3%*	*18.7%*	
Selling, General & Administrative	35.1	35.2	(0.3)%
% of Net Revenue	*2.0%*	*2.1%*	
Depreciation & Amortization	46.0	41.0	12.2%
% of Net Revenue	*2.6%*	*2.4%*	

($ in Millions)

Adjusted Diluted Earnings Per Share

	Three Months Ended March 31, 2018		
	As Reported	Net Losses on Sales of Businesses[1]	Adjusted Results
(Loss) Income Before Income Taxes	$ (1.5)	$ (24.4)	$ 22.9
Provision for Income Taxes	12.7	(0.4)	13.1
Diluted EPS Components:			
Net (Loss) Income Available to IPG Common Stockholders	$ (14.1)	$ (24.0)	$ 9.9
Weighted-Average Number of Common Shares Outstanding	383.4		388.6
(Loss) Earnings Per Share Available to IPG Common Stockholders	**$ (0.04)**	**$ (0.06)**	**$ 0.03**

(1) During the three months ended March 31, 2018, we recorded net losses on sales of businesses.

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

(Amounts in Millions, except per share amounts)

Cash Flow

	Three Months Ended March 31,	
	2018	2017
NET (LOSS) INCOME	$ (16.1)	$ 21.3
OPERATING ACTIVITIES		
Depreciation & amortization	77.4	72.1
Deferred taxes	(20.8)	(12.0)
Net losses (gains) on sales of businesses	24.4	(0.9)
Other non-cash items	8.9	12.6
Change in working capital, net	(775.0)	(443.7)
Change in other non-current assets & liabilities	(28.7)	(21.2)
Net cash used in operating activities	**(729.9)**	**(371.8)**
INVESTING ACTIVITIES		
Capital expenditures	(22.8)	(24.8)
Acquisitions, net of cash acquired	(0.2)	(3.3)
Other investing activities	(0.1)	(5.1)
Net cash used in investing activities	**(23.1)**	**(33.2)**
FINANCING ACTIVITIES		
Net increase in short-term borrowings	718.8	224.8
Exercise of stock options	6.9	8.2
Common stock dividends	(80.8)	(70.9)
Repurchases of common stock	(54.9)	(55.0)
Tax payments for employee shares withheld	(26.3)	(36.7)
Distributions to noncontrolling interests	(3.9)	(6.0)
Other financing activities	(1.6)	0.0
Net cash provided by financing activities	**558.2**	**64.4**
Currency effect	(2.9)	20.0
Net decrease in cash, cash equivalents and restricted cash	**$ (197.7)**	**$ (320.6)**

($ in Millions)

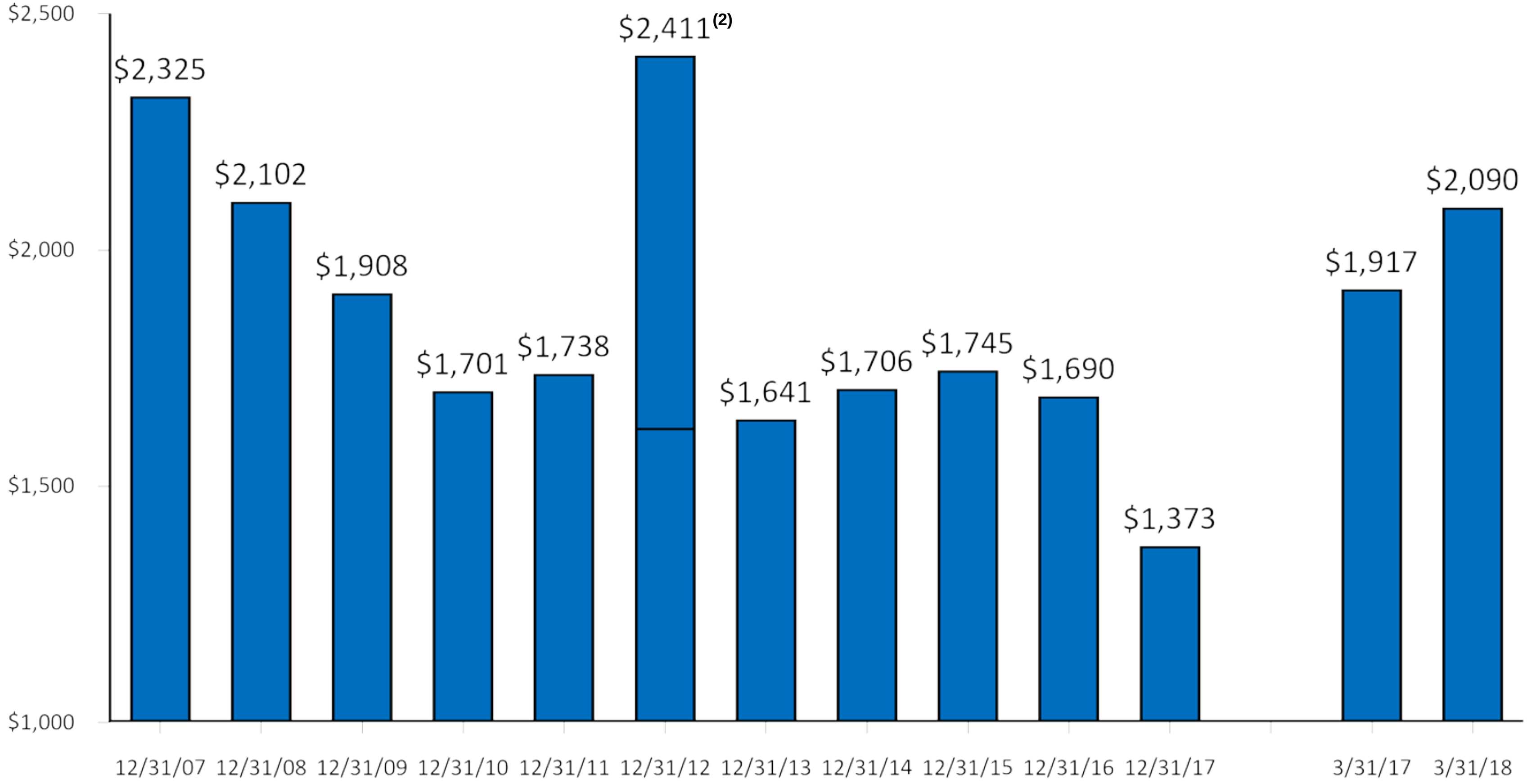
Balance Sheet – Current Portion

	March 31, 2018		December 31, 2017		March 31, 2017	
CURRENT ASSETS:						
Cash and cash equivalents	$	597.3	$	790.9	$	775.0
Accounts receivable, net		3,942.5		4,585.0		3,641.5
Accounts receivable, billable to clients		1,981.1		1,747.4		1,742.9
Assets held for sale		12.0		5.7		108.7
Other current assets		430.6		346.5		352.0
Total current assets	**$**	**6,963.5**	**$**	**7,475.5**	**$**	**6,620.1**
CURRENT LIABILITIES:						
Accounts payable	$	5,467.1	$	6,420.2	$	5,150.6
Accrued liabilities		528.1		674.7		571.9
Contract liabilities		507.5		484.7		498.8
Short-term borrowings		799.4		84.9		310.8
Current portion of long-term debt (1)		2.1		2.0		324.1
Liabilities held for sale		18.3		8.8		111.2
Total current liabilities	**$**	**7,322.5**	**$**	**7,675.3**	**$**	**6,967.4**

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

($ in Millions)

Total Debt (1)



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

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

($ in Millions)

Summary

- Q1 a solid start on FY-18 performance objectives
- Continuing traction from key strategic initiatives
  - Quality of our agency offerings, creative talent, media services, embedded and specialty digital
  - Effectiveness of "open architecture" solutions
  - Strength in data & analytics
- Focus on continued expense discipline and additional margin improvement
- Financial strength continues to be a source of value creation
  - Solid investment grade ratings across the board
  - Raised dividend and authorized new share repurchase program (as previously announced in February)

Interpublic Group

Appendix

Depreciation and Amortization

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

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

($ in Millions)

Reconciliation of Organic Net Revenue

	Three Months Ended March 31, 2017	Components of Change: Foreign Currency	Components of Change: Net Acquisitions / (Divestitures)	Components of Change: Organic	Three Months Ended March 31, 2018	Change: Organic	Change: Total
Segment							
IAN	$ 1,391.1	$ 40.9	$ (10.0)	$ 59.3	$ 1,481.3	4.3%	6.5%
CMG	284.2	8.6	(1.7)	1.6	292.7	0.6%	3.0%
Total	**$ 1,675.3**	**$ 49.5**	**$ (11.7)**	**$ 60.9**	**$ 1,774.0**	**3.6%**	**5.9%**
Geographic							
United States	**$ 1,057.1**	**$ 0.0**	**$ (9.9)**	**$ 45.1**	**$ 1,092.3**	**4.3%**	**3.3%**
International	**618.2**	**49.5**	**(1.8)**	**15.8**	**681.7**	**2.6%**	**10.3%**
United Kingdom	135.2	16.2	1.5	10.6	163.5	7.8%	20.9%
Continental Europe	140.9	20.4	(2.5)	(0.1)	158.7	(0.1%)	12.6%
Asia Pacific	173.7	9.3	(0.3)	(3.9)	178.8	(2.2%)	2.9%
Latin America	69.0	(1.1)	(1.3)	7.3	73.9	10.6%	7.1%
All Other Markets	99.4	4.7	0.8	1.9	106.8	1.9%	7.4%
Worldwide	**$ 1,675.3**	**$ 49.5**	**$ (11.7)**	**$ 60.9**	**$ 1,774.0**	**3.6%**	**5.9%**

($ in Millions)

Reconciliation of Adjusted Results [1]

	Three Months Ended March 31, 2018		
	As Reported	Net Losses on Sales of Businesses	Adjusted Results
(Loss) Income Before Income Taxes	$ (1.5)	$ (24.4)	$ 22.9
Provision for Income Taxes	12.7	(0.4)	13.1
Equity in Net Loss of Unconsolidated Affiliates	(1.9)		(1.9)
Net Loss Attributable to Noncontrolling Interests	2.0		2.0
Net (Loss) Income Available to IPG Common Stockholders	$ (14.1)	$ (24.0)	$ 9.9
Weighted-Average Number of Common Shares Outstanding - Basic	383.4		383.4
Dilutive Effect of Stock Options and Restricted Shares	N/A		5.2
Weighted-Average Number of Common Shares Outstanding - Diluted	383.4		388.6
(Loss) Earnings per Share Available to IPG Common Stockholders:			
Basic	$ (0.04)	$ (0.06)	$ 0.03
Diluted	$ (0.04)	$ (0.06)	$ 0.03

(1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the net losses on sales of businesses. 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.

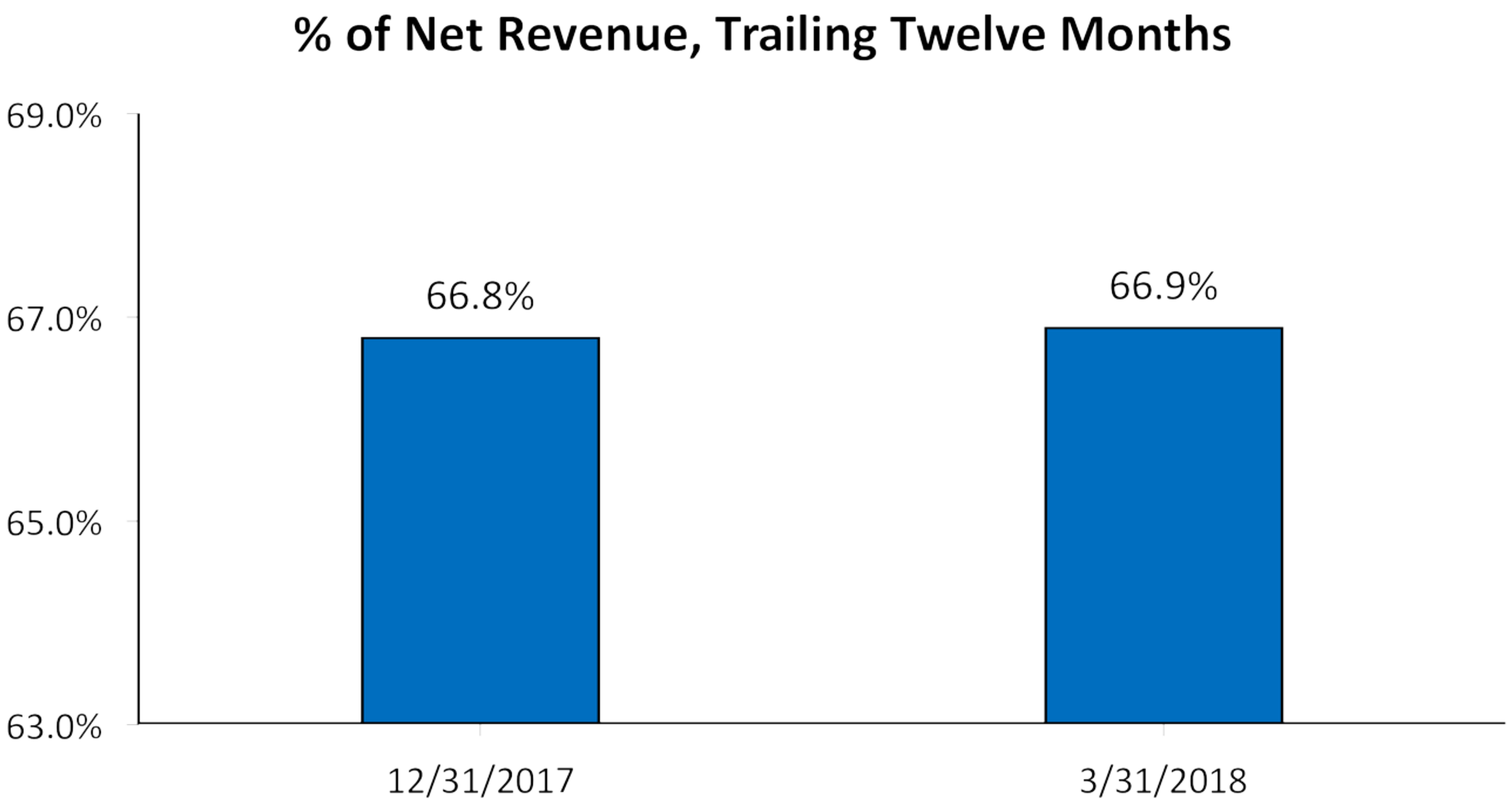
(Amounts in Millions, except per share amounts)

Metrics Update

Metrics Update

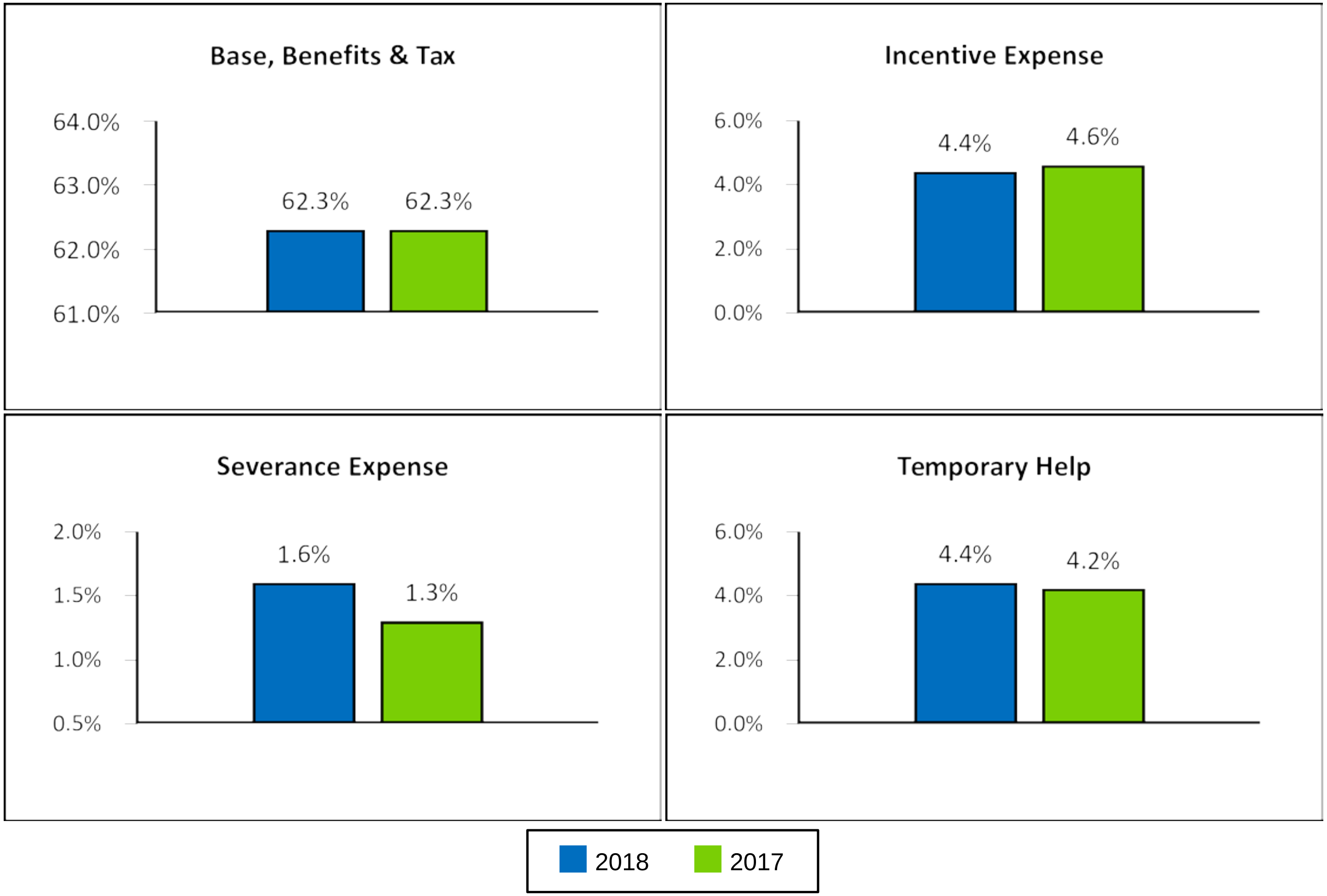
Category	Metric
SALARIES & RELATED (% of net revenue)	Trailing Twelve Months Base, Benefits & Tax Incentive Expense Severance Expense Temporary Help
OFFICE & OTHER DIRECT (% of net revenue)	Trailing Twelve Months Occupancy Expense All Other Office and Other Direct Expenses
FINANCIAL	Available Liquidity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

Salaries & Related Expenses



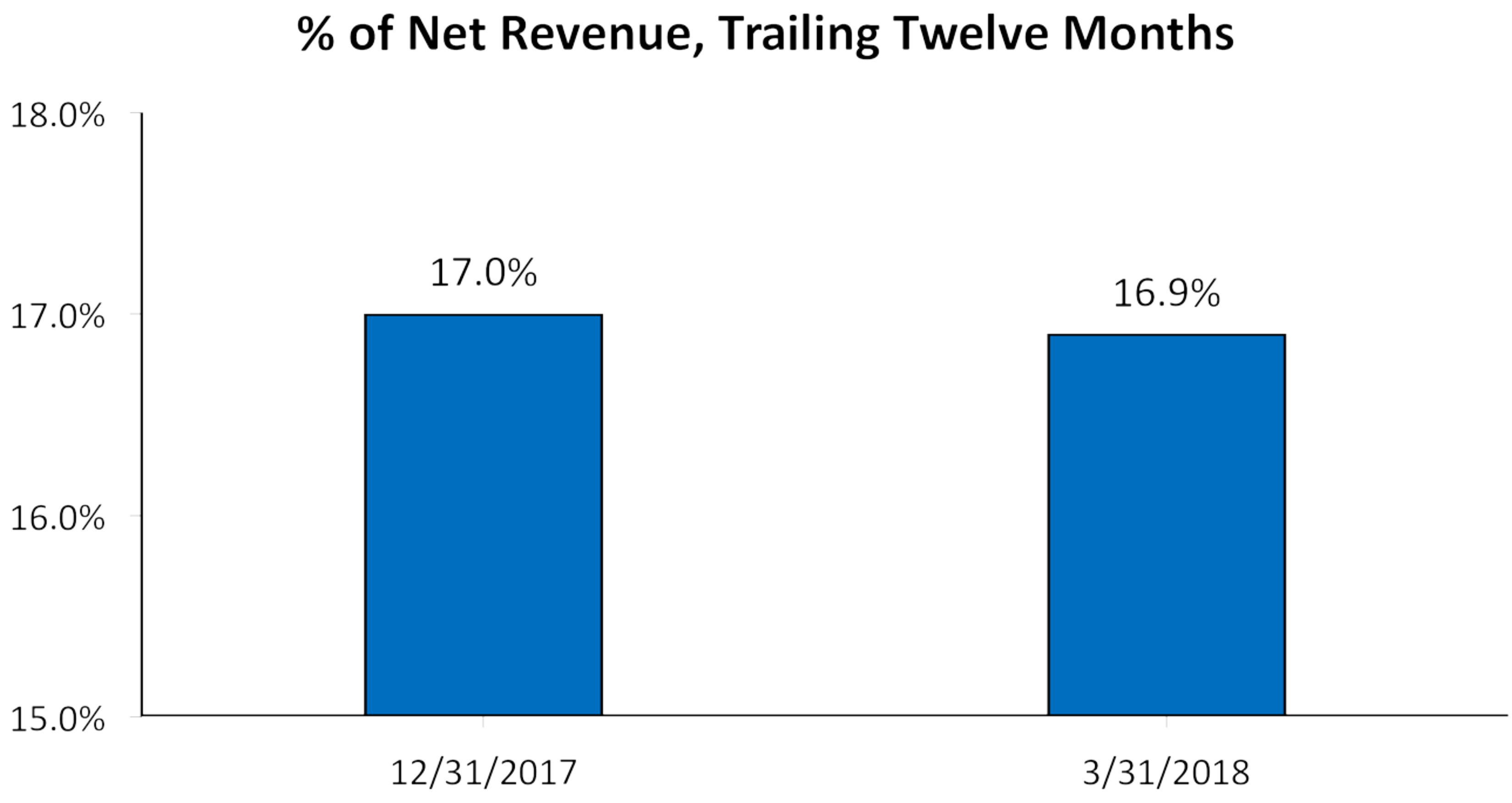
Salaries & Related Expenses (% of Net Revenue)

Three Months Ended March 31



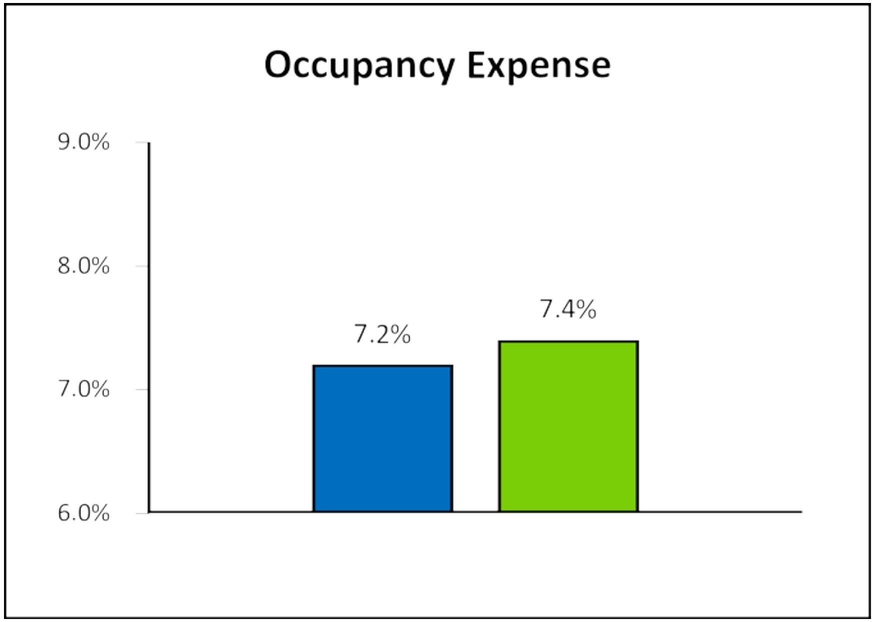
"All Other Salaries & Related," not shown, was 2.3% and 2.3% for the three months ended March 31, 2018 and 2017, respectively.

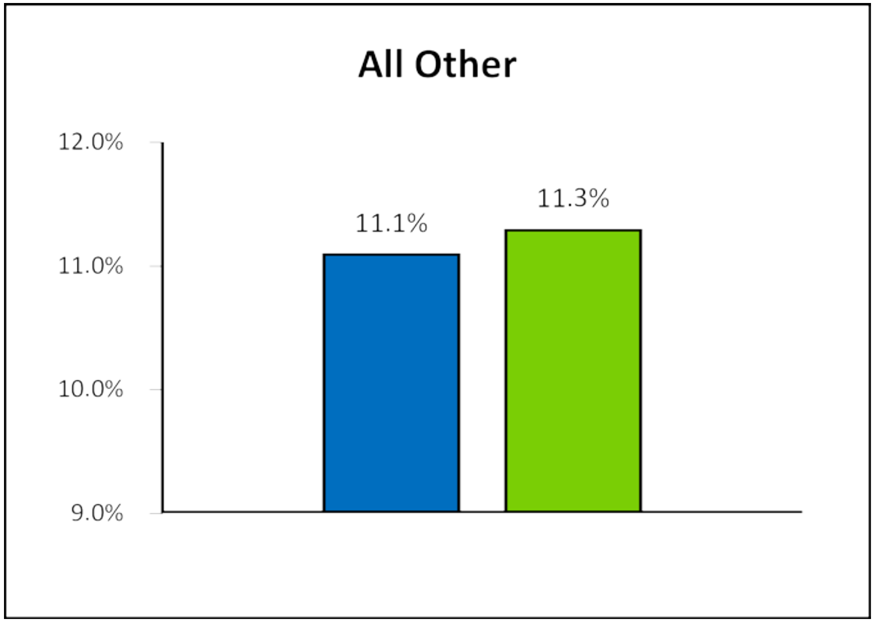
Office & Other Direct Expenses



Office & Other Direct Expenses (% of Net Revenue)

Three Months Ended March 31

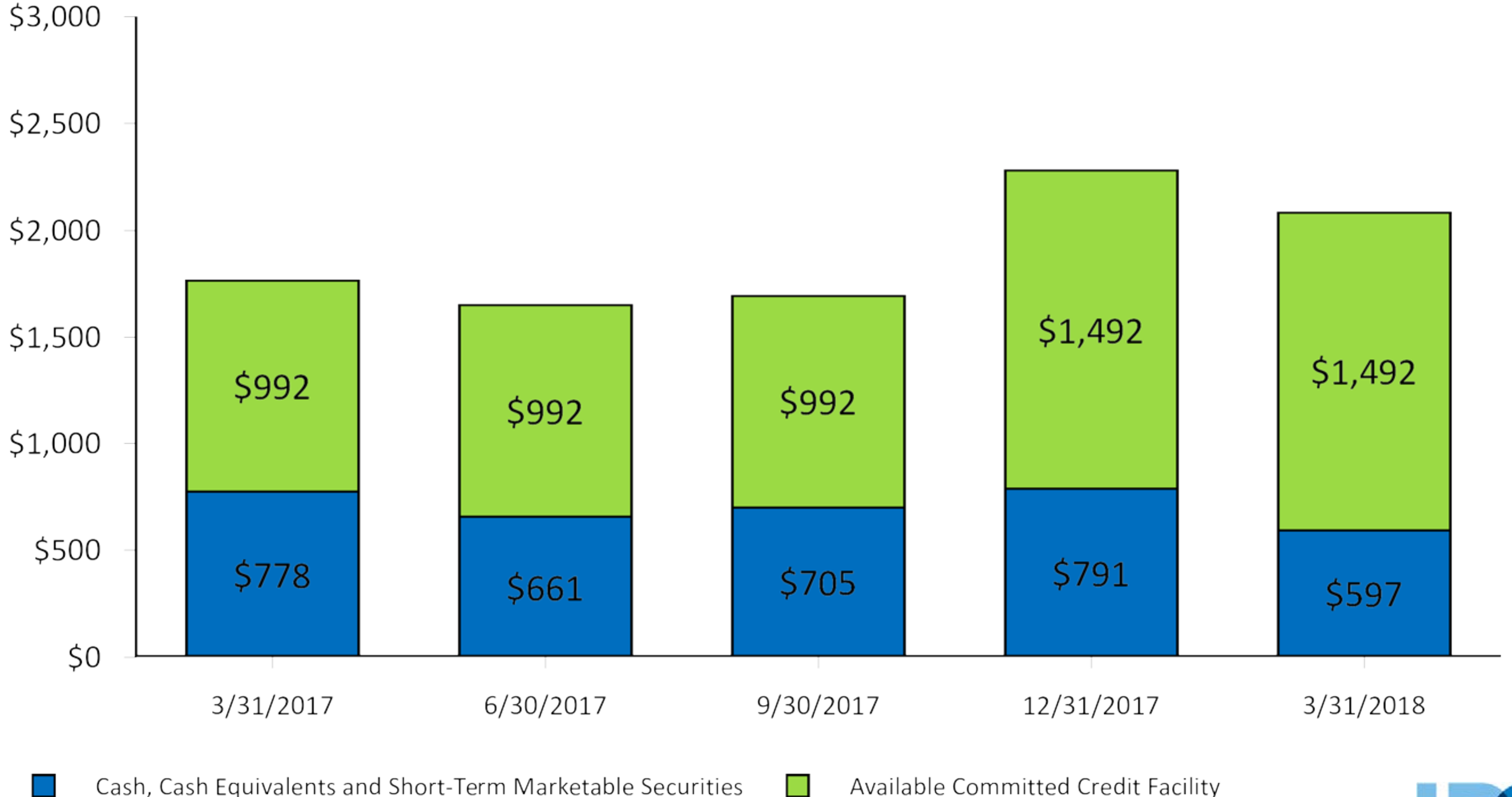




"All Other" primarily includes production expenses, travel and entertainment, professional fees, spending to support new business activity, telecommunications, office supplies, bad debt expense, adjustments to contingent acquisition obligations, foreign currency losses (gains), long-lived asset impairments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

Available Liquidity

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



($ in Millions)

$1.5 Billion 5-Year Credit Facility Covenants

Covenants		Last Twelve Months Ended March 31, 2018
I.	Interest Coverage Ratio (not less than):	5.00x
	Actual Interest Coverage Ratio:	17.10x
II.	Leverage Ratio (not greater than):	3.50x
	Actual Leverage Ratio:	1.74x

Interest Expense Reconciliation	Last Twelve Months Ended March 31, 2018
Interest Expense:	$89.8
- Interest Income	18.2
- Other	1.5
Net Interest Expense[(1)]:	$70.1

EBITDA Reconciliation	Last Twelve Months Ended March 31, 2018
Operating Income:	$942.5
+ Depreciation and Amortization[(1)]	256.5
EBITDA[(1)]:	$1,199.0

(1) Calculated as defined in the Credit Agreement.

($ in Millions)

ASC 606 Effective January 1, 2018

• No Change to Our Model for Value Creation	• Impact on Income Statement & Performance Metrics
• Management priorities and incentives continue to focus on organic growth and margin expansion • No change to client relationships and services • No change to cash flow • No material change to annual operating profit, pre-tax income, and EPS • No change to 2018 operating income target, consistent with the range targeted earlier this year	• Increased pass-through revenue and expense, dollar-for-dollar, which does not change operating profit. Increases occur in our marketing and integrated agency services, but not in media services. • Additional disclosure of our net revenue and billable expenses • Key metrics will track organic growth of net revenue and operating margin on net revenue, due to billable expense volatility • Earlier recognition of some revenue and profit, as the work is performed, mainly for a portion of client performance bonuses • All 2017 financial information has been restated for the new standard

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. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following:

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

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