

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): April 27, 2018

The Interpublic Group of Companies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

1-6686

13-1024020

(State or Other Jurisdiction
of Incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

909 Third Avenue, New York, New York

10022

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: 212-704-1200

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On April 27, 2018, The Interpublic Group of Companies, Inc. (i) issued a press release, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein, announcing its results for the first quarter of 2018, (ii) held a conference call to discuss the foregoing results and (iii) posted an investor presentation, a copy of which is attached hereto as Exhibit 99.2 and incorporated by reference herein, on its website in connection with the conference call.

Item 9.01. Financial Statements and Exhibits.

[Exhibit 99.1](#): Press release dated April 27, 2018 (furnished pursuant to Item 2.02)

[Exhibit 99.2](#): Investor presentation dated April 27, 2018 (furnished pursuant to Item 2.02)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 27, 2018

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Andrew Bonzani

Name: Andrew Bonzani

Title: Senior Vice President, General Counsel and Secretary



FOR IMMEDIATE RELEASE

New York, NY (April 27, 2018)

Interpublic Announces First Quarter 2018 Results

- *First quarter net revenue increase of 5.9% and organic net revenue increase of 3.6%; U.S. organic net revenue growth was 4.3%*
- *Operating income increase of 12% to \$38.8 million, compared to \$34.7 million a year ago, in seasonally small first quarter*
- *Diluted earnings per share of \$(0.04) was \$0.03 as adjusted for sales of certain small, non-strategic businesses during the quarter, compared to \$0.06 per basic and diluted share in the prior year period, with the comparison negatively impacted due to a higher adjusted tax rate*
- *Management confirms that the company remains on track to achieve 2018 financial targets*

Summary

Revenue

- First quarter 2018 net revenue increased 5.9% to \$1.77 billion, compared to \$1.68 billion in the first quarter of 2017, with an organic net revenue increase of 3.6% compared to the prior-year period. This was comprised of an organic net increase of 4.3% in the U.S. and 2.6% internationally.
- First quarter 2018 total revenue increased 5.1% to \$2.17 billion, compared to \$2.06 billion in the first quarter of 2017.

Operating Results

- Operating income in the first quarter of 2018 was \$38.8 million, compared to \$34.7 million in 2017.
- Operating margin on net revenue was 2.2% for the first quarter of 2018, compared to 2.1% in 2017.

Net Results

- Income tax provision in the first quarter of 2018 was \$12.7 million on loss before income taxes of \$1.5 million.
- First quarter 2018 net loss available to IPG common stockholders was \$14.1 million, resulting in loss of \$0.04 per basic and diluted share, and earnings of \$0.03 per diluted share as adjusted for a non-operating loss of \$24.0 million on the sales of businesses in

"Other (Expense) Income, Net." This compares to net income available to IPG common stockholders a year ago of \$24.7 million, resulting in earnings of \$0.06 per basic and diluted share.

- As a reminder, 2017 results are as previously restated for the adoption of ASC 606.

"Against challenging comparisons, we reported another quarter of solid revenue and operating profit growth, with notably strong growth in the U.S. at 4.3%. Contributions to our performance came from a range of our agencies and marketing disciplines, including media, our three global creative networks, as well as digital, sports and experiential marketing," said Michael I. Roth, Interpublic's Chairman and CEO. "Our strong first quarter performance and the current tone of business have us on track to deliver on our financial targets for the full year, likely at the high-end of 2% to 3% organic growth of net revenue and with operating margin expansion of 60 to 70 basis points from our restated 2017 results. The caliber of our offerings - including embedded digital expertise across the portfolio, as well as further investment in innovative data and analytics capabilities - combined with the strength of our balance sheet and our commitment to capital return, means there is significant potential at IPG for further value creation and enhanced shareholder value," concluded Mr. Roth.

Operating Results

Revenue

Net revenue of \$1.77 billion in the first quarter of 2018 increased 5.9% compared with the same period in 2017. During the quarter, the effect of foreign currency translation was positive 3.0%, the impact of net divestitures was negative 0.7%, and the resulting organic net revenue increase was 3.6%.

Total revenue of \$2.17 billion in the first quarter of 2018 increased 5.1% compared with the same period in 2017.

Operating Expenses

Total operating expenses, excluding billable expenses, increased 5.8% in the first quarter of 2018 from a year ago, compared with net revenue growth of 5.9%.

During the first quarter of 2018, salaries and related expenses were \$1.33 billion, an increase of 6.3% compared to the same period in 2017. Staff cost ratio, which is total salaries and related expenses as a percentage of net revenue, was 75.0% in the first quarter of 2018 compared to 74.7% in the same period in 2017.

During the first quarter of 2018, office and other direct expenses were \$323.8 million, an increase of 3.5% compared to the same period in 2017. Office and other direct expenses were 18.3% of net revenue in the first quarter of 2018 compared to 18.7% a year ago.

During the first quarter of 2018, selling, general and administrative expenses were \$35.1 million, a decrease of 0.3% compared to the same period in 2017. Selling, general and administrative expenses were 2.0% of net revenue in the first quarter of 2018 compared to 2.1% a year ago.

During the first quarter of 2018, depreciation and amortization was \$46.0 million, an increase of 12.2% compared to the same period in 2017. Depreciation and amortization was 2.6% of net revenue in the first quarter of 2018 compared to 2.4% a year ago.

Non-Operating Results and Tax

Net interest expense of \$15.9 million increased by \$0.2 million in the first quarter of 2018 compared to the same period in 2017.

The income tax provision in the first quarter of 2018 was \$12.7 million on loss before income taxes of \$1.5 million, compared to a benefit of \$0.3 million on income before income taxes of \$19.8 million in the same period in 2017. Our income tax provision was driven by losses in certain foreign jurisdictions where we receive no tax benefit due to 100% valuation allowances and net losses on sales of businesses, and the classification of certain assets as held for sale, for which we did not receive a full tax benefit, partially offset by excess tax benefits on employee share-based payments, the majority of which is typically recognized in the first quarter due to the timing of the vesting of awards.

Balance Sheet

At March 31, 2018, cash, cash equivalents and marketable securities totaled \$597.4 million, compared to \$791.0 million at December 31, 2017 and \$778.1 million at March 31, 2017. Total debt was \$2.09 billion at March 31, 2018, compared to \$1.37 billion at December 31, 2017.

Share Repurchase Program and Common Stock Dividend

During the first quarter of 2018, the company repurchased 2.4 million shares of its common stock at an aggregate cost of \$54.9 million and an average price of \$22.59 per share, including fees.

During the first quarter of 2018, the company declared and paid a common stock cash dividend of \$0.21 per share, for a total of \$80.8 million.

For more information concerning the company's financial results, please refer to the accompanying slide presentation available on our website, www.interpublic.com.

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About Interpublic

Interpublic is one of the world's leading organizations of advertising agencies and marketing services companies. Major global brands include Craft, FCB (Foote, Cone & Belding), FutureBrand, Golin, Huge, Initiative, Jack Morton, MAGNA, McCann, Momentum, MRM//McCann, MullenLowe Group, Octagon, R/GA, UM and Weber Shandwick. Other leading brands include Avrett Free Ginsberg, Campbell Ewald, Carmichael Lynch, Deutsch, Hill Holliday, ID Media and The Martin Agency. For more information, please visit www.interpublic.com.

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Cautionary Statement

This release contains forward-looking statements. Statements in this release that are not historical facts, including statements about management's beliefs and expectations, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined under Item 1A, Risk Factors, in our most recent Annual Report on Form 10-K. 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 under Item 1A, *Risk Factors*, in our most recent Annual Report on Form 10-K.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
FIRST QUARTER REPORT 2018 AND 2017
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three months ended March 31,		
	2018	2017	Fav. (Unfav.) % Variance
Revenue:			
Net Revenue	\$ 1,774.0	\$ 1,675.3	5.9 %
Billable Expenses	395.1	388.5	1.7 %
Total Revenue	2,169.1	2,063.8	5.1 %
Operating Expenses:			
Salaries and Related Expenses	1,330.3	1,251.7	(6.3)%
Office and Other Direct Expenses	323.8	312.7	(3.5)%
Billable Expenses	395.1	388.5	(1.7)%
Cost of Services	2,049.2	1,952.9	(4.9)%
Selling, General and Administrative Expenses	35.1	35.2	0.3 %
Depreciation and Amortization	46.0	41.0	(12.2)%
Total Operating Expenses	2,130.3	2,029.1	(5.0)%
Operating Income	38.8	34.7	11.8 %
Operating Margin on Net Revenue %	2.2%	2.1%	
Operating Margin on Total Revenue %	1.8%	1.7%	
Expenses and Other Income:			
Interest Expense	(19.9)	(20.9)	
Interest Income	4.0	5.2	
Other (Expense) Income, Net	(24.4)	0.8	
Total (Expenses) and Other Income	(40.3)	(14.9)	
(Loss) Income Before Income Taxes	(1.5)	19.8	
Provision for (Benefit of) Income Taxes	12.7	(0.3)	
(Loss) Income of Consolidated Companies	(14.2)	20.1	
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	
Diluted	\$ (0.04)	\$ 0.06	
Weighted-Average Number of Common Shares Outstanding:			
Basic	383.4	391.7	
Diluted	383.4	399.3	
Dividends Declared Per Common Share	\$ 0.21	\$ 0.18	

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

	Three Months Ended March 31, 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
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	<u>\$ (14.1)</u>	<u>\$ (24.0)</u>	<u>\$ 9.9</u>
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	<u>383.4</u>		<u>388.6</u>
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ (0.04)	\$ (0.06)	\$ 0.03
Diluted	\$ (0.04)	\$ (0.06)	\$ 0.03

¹ Includes losses on complete dispositions of businesses and the classification of certain assets held for sale.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.



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

Operating Performance

	Three Months Ended March 31,	
	2018	2017
<i>Net Revenue</i>	\$ 1,774.0	\$ 1,675.3
Billable Expenses	395.1	388.5
<i>Total Revenue</i>	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
<i>Operating Income</i>	38.8	34.7
Interest Expense, net	(15.9)	(15.7)
Other (Expense) Income, net	(24.4)	0.8
<i>(Loss) Income Before Income Taxes</i>	(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
<i>Net (Loss) Income</i>	(16.1)	21.3
Net Loss Attributable to Noncontrolling Interests	2.0	3.4
<i>Net (Loss) Income Available to IPG Common Stockholders</i>	\$ (14.1)	\$ 24.7
<i>(Loss) Earnings per Share Available to IPG Common Stockholders - Basic</i>	\$ (0.04)	\$ 0.06
<i>(Loss) Earnings per Share Available to IPG Common Stockholders - Diluted</i>	\$ (0.04)	\$ 0.06
<i>Weighted-Average Number of Common Shares Outstanding - Basic</i>	383.4	391.7
<i>Weighted-Average Number of Common Shares Outstanding - Diluted</i>	383.4	399.3
<i>Dividends Declared per Common Share</i>	\$ 0.21	\$ 0.18

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%

Page 4 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.

Page 5 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%
<i>% of Net Revenue</i>	75.0%	74.7%	
Office & Other Direct	323.8	312.7	3.5%
<i>% of Net Revenue</i>	18.3%	18.7%	
Selling, General & Administrative	35.1	35.2	(0.3)%
<i>% of Net Revenue</i>	2.0%	2.1%	
Depreciation & Amortization	46.0	41.0	12.2%
<i>% of Net Revenue</i>	2.6%	2.4%	

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.

Page 7 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)

Balance Sheet – Current Portion

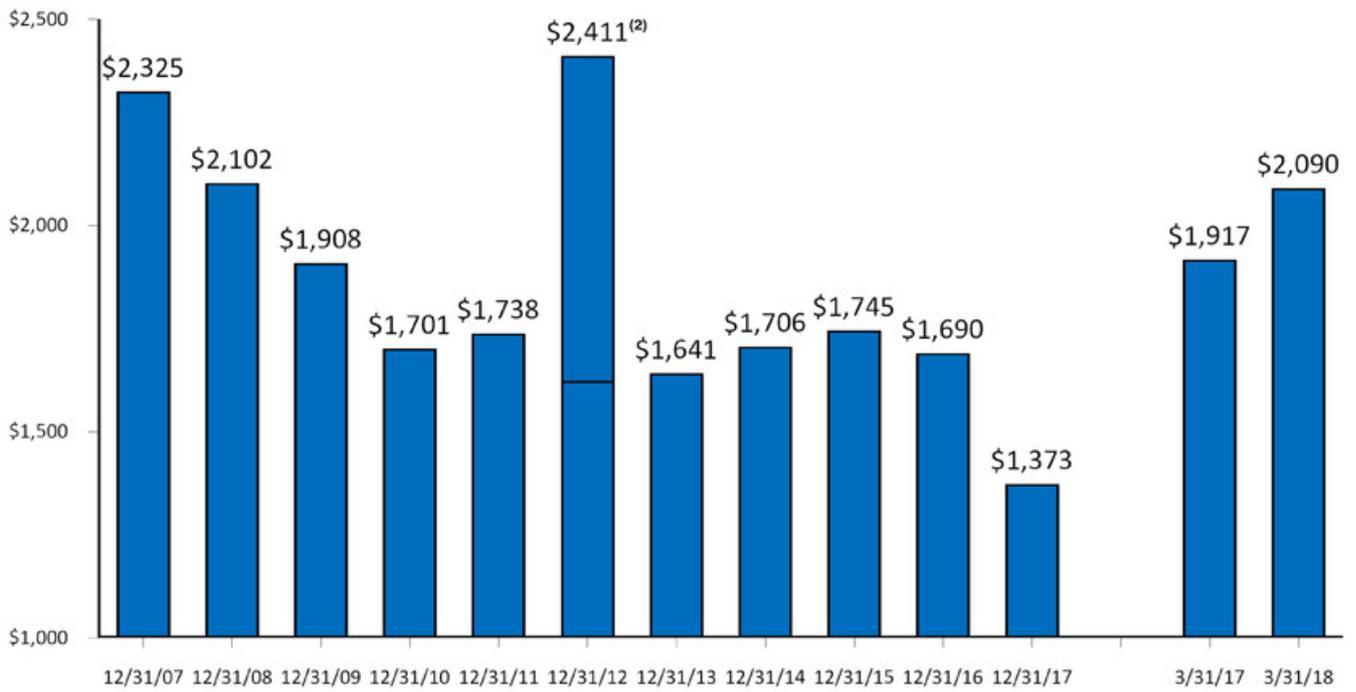
	March 31, 2018	December 31, 2017	March 31, 2017
CURRENT ASSETS:			
Cash and cash equivalents	\$ 597.3	\$ 790.9	\$ 775.0
Accounts receivable, net	3,942.5	4,585.0	3,641.5
Accounts receivable, billable to clients	1,981.1	1,747.4	1,742.9
Assets held for sale	12.0	5.7	108.7
Other current assets	430.6	346.5	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

Page 9 (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.

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

Reconciliation of Organic Net Revenue

Segment	Three Months Ended March 31, 2017	Components of Change			Three Months Ended March 31, 2018	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
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%

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
<hr/>			
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
<hr/>			
(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.



Interpublic Group

Metrics Update

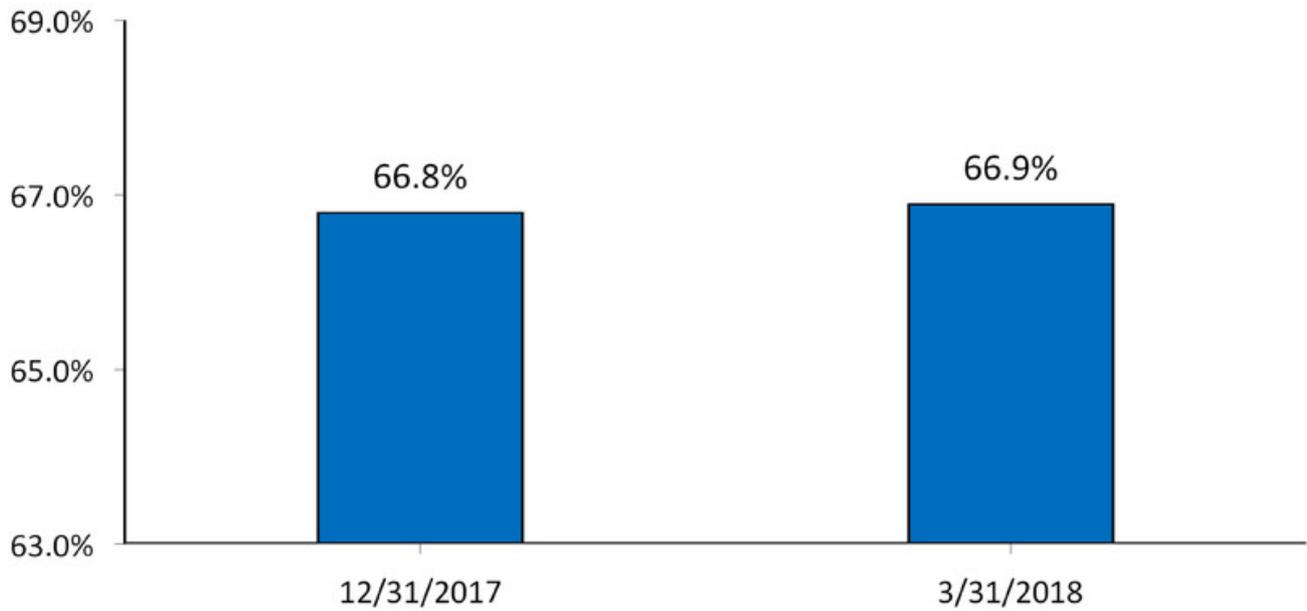


Metrics Update

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 \$1.5 Billion 5-Year Credit Facility Covenants

Salaries & Related Expenses

% of Net Revenue, Trailing Twelve Months



Salaries & Related Expenses (% of Net Revenue)

Three Months Ended March 31

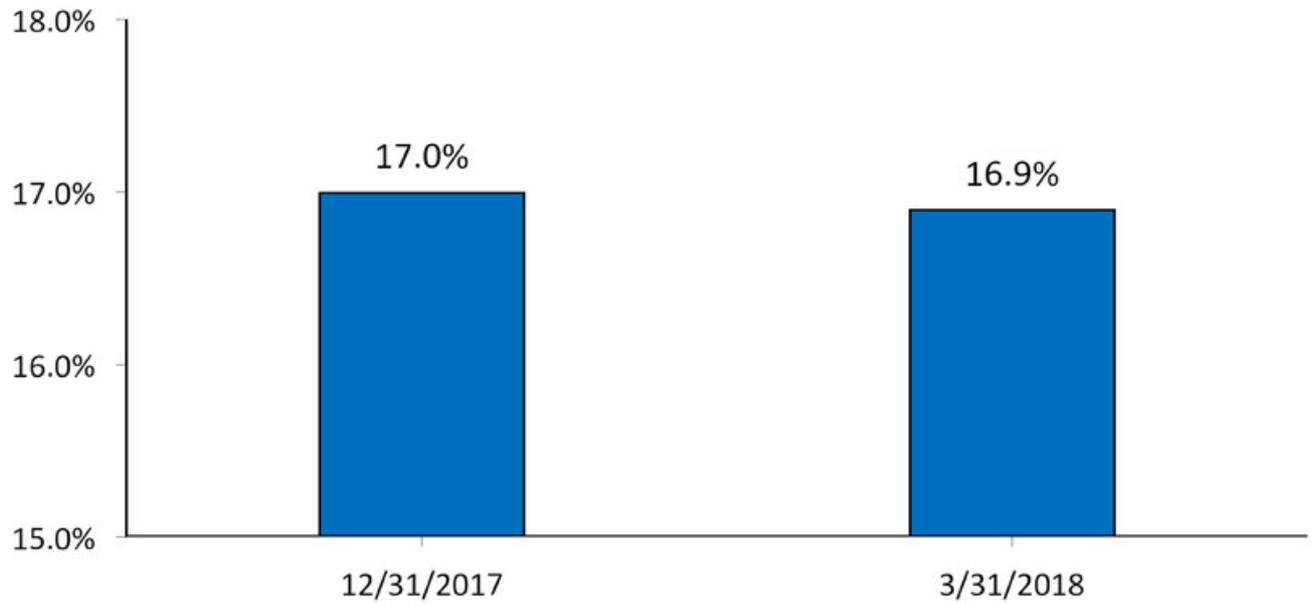


"All Other Salaries & Related," not shown, was 2.3% and 2.3% for the three months ended March 31, 2018 and 2017, respectively.



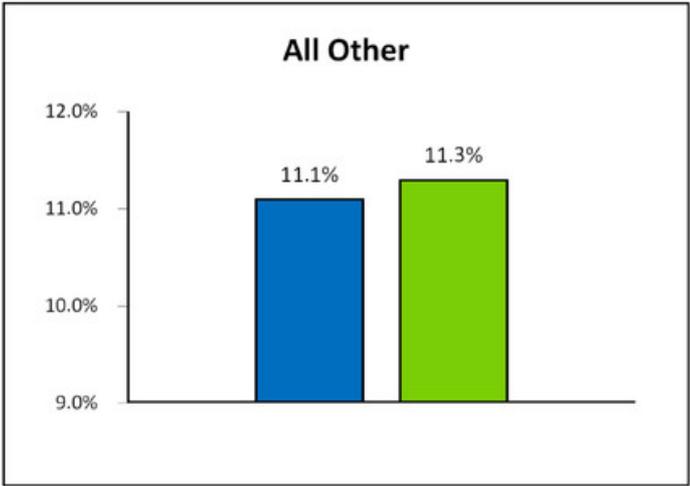
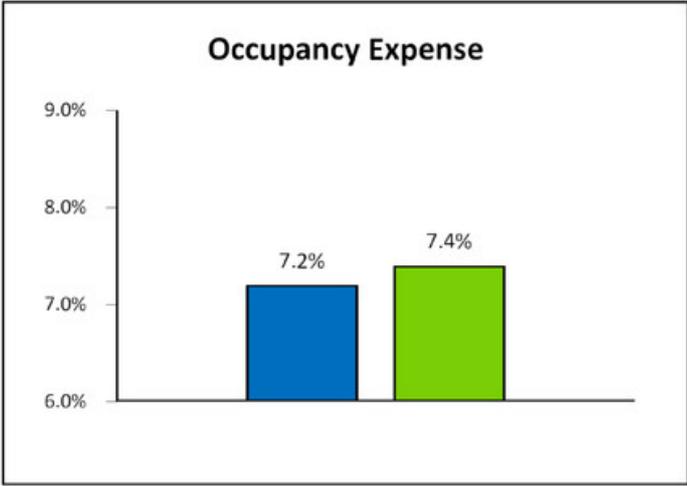
Office & Other Direct Expenses

% of Net Revenue, Trailing Twelve Months



Office & Other Direct Expenses (% of Net Revenue)

Three Months Ended March 31

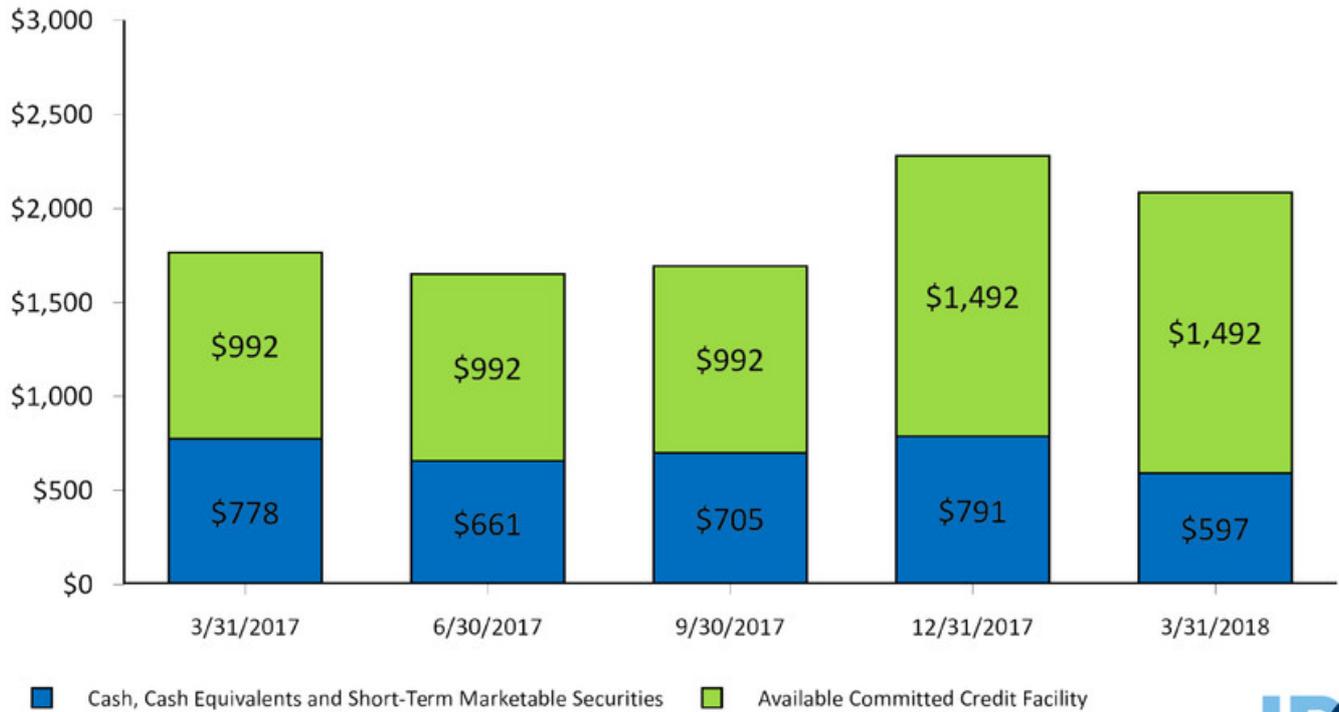


"All Other" primarily includes production expenses, travel and entertainment, professional fees, spending to support new business activity, telecommunications, office supplies, bad debt expense, adjustments to contingent acquisition obligations, foreign currency losses (gains), long-lived asset impairments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



Available Liquidity

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



\$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
<u>Interest Expense Reconciliation</u>	<u>Last Twelve Months Ended March 31, 2018</u>
Interest Expense:	\$89.8
- Interest Income	18.2
- Other	1.5
Net Interest Expense ⁽¹⁾ :	<u>\$70.1</u>
<u>EBITDA Reconciliation</u>	<u>Last Twelve Months Ended March 31, 2018</u>
Operating Income:	\$942.5
+ Depreciation and Amortization ⁽¹⁾	256.5
EBITDA ⁽¹⁾ :	<u>\$1,199.0</u>

Page 23 (1) Calculated as defined in the Credit Agreement.

(\$ in Millions)



ASC 606 Effective January 1, 2018

- No Change to Our Model for Value Creation

- 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

- Impact on Income Statement & Performance Metrics

- 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.

