UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended June 30, 2020

or

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

Commission file number: 1-6686

THE INTERPUBLIC GROUP OF COMPANIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**13-1024020**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

909 Third Avenue, New York, New York 10022
(Address of principal executive offices) (Zip Code)

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

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.10 per share	IPG	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding as of July 15, 2020 was 389,922,896.

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INFORMATION REGARDING FORWARD-LOOKING DISCLOSURE

This quarterly report on Form 10-Q contains forward-looking statements. Statements in this report that are not historical facts, including statements about management's beliefs and expectations, constitute forward-looking statements. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "continue" or comparable terminology are intended to identify 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. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

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

- the effects of a challenging economy on the demand for our advertising and marketing services, on our clients' financial condition and on our business or financial condition;
- the outbreak of the novel coronavirus (COVID-19), including the measures to contain its spread, and the impact on the economy and demand for our services, which may precipitate or exacerbate other risks and uncertainties;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with assumptions we make in connection with our critical accounting estimates, including changes in assumptions associated with any effects of a weakened economy;
- potential adverse effects if we are required to recognize impairment charges or other adverse accounting-related developments;
- risks associated with the effects of global, national and regional economic and political conditions, including counterparty risks and fluctuations in economic growth rates, interest rates and currency exchange rates;
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world; and
- failure to realize the anticipated benefits on the acquisition of the Acxiom business.

Investors should carefully consider these factors and the additional risk factors outlined in more detail under Item 1A, *Risk Factors*, in our most recent annual report on Form 10-K and our quarterly reports on Form 10-Q.

PART I – FINANCIAL INFORMATION

Item 1. ***Financial Statements (Unaudited)***

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
REVENUE:				
Net revenue	$ 1,853.4	$ 2,125.9	$ 3,825.5	$ 4,130.7
Billable expenses	172.3	394.3	560.0	750.7
Total revenue	2,025.7	2,520.2	4,385.5	4,881.4
OPERATING EXPENSES:				
Salaries and related expenses	1,306.1	1,381.2	2,728.9	2,802.3
Office and other direct expenses	317.0	387.3	695.2	776.5
Billable expenses	172.3	394.3	560.0	750.7
Cost of services	1,795.4	2,162.8	3,984.1	4,329.5
Selling, general and administrative expenses	4.1	18.1	26.5	59.5
Depreciation and amortization	73.1	73.0	145.9	144.1
Restructuring charges	112.6	2.1	112.6	33.9
Total operating expenses	1,985.2	2,256.0	4,269.1	4,567.0
OPERATING INCOME	40.5	264.2	116.4	314.4
EXPENSES AND OTHER INCOME:				
Interest expense	(49.8)	(51.6)	(94.6)	(101.4)
Interest income	5.9	7.7	16.6	15.5
Other expense, net	(21.5)	(3.8)	(43.3)	(10.7)
Total (expenses) and other income	(65.4)	(47.7)	(121.3)	(96.6)
(Loss) Income before income taxes	(24.9)	216.5	(4.9)	217.8
Provision for income taxes	19.0	43.6	36.2	54.1
(Loss) Income of consolidated companies	(43.9)	172.9	(41.1)	163.7
Equity in net loss of unconsolidated affiliates	0.0	(0.1)	(0.2)	(0.4)
NET (LOSS) INCOME	(43.9)	172.8	(41.3)	163.3
Net (income) loss attributable to noncontrolling interests	(1.7)	(3.3)	0.4	(1.8)
NET (LOSS) INCOME AVAILABLE TO IPG COMMON STOCKHOLDERS	$ (45.6)	$ 169.5	$ (40.9)	$ 161.5
(Loss) Earnings per share available to IPG common stockholders:				
Basic	$ (0.12)	$ 0.44	$ (0.11)	$ 0.42
Diluted	$ (0.12)	$ 0.43	$ (0.11)	$ 0.41
Weighted-average number of common shares outstanding:				
Basic	389.4	386.2	388.5	385.4
Diluted	389.4	391.2	388.5	390.1

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
NET (LOSS) INCOME	$ (43.9)	$ 172.8	$ (41.3)	$ 163.3
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation:				
Foreign currency translation adjustments	42.8	4.2	(104.8)	12.5
Reclassification adjustments recognized in net (loss) income	3.3	4.6	(0.3)	5.8
	46.1	8.8	(105.1)	18.3
Derivative instruments:				
Changes in fair value of derivative instruments	(0.5)	0.0	(0.9)	0.0
Recognition of previously unrealized losses in net (loss) income	0.6	0.6	1.2	1.2
Income tax effect	0.0	(0.1)	(0.1)	(0.2)
	0.1	0.5	0.2	1.0
Defined benefit pension and other postretirement plans:				
Net actuarial gains for the period	2.2	0.7	2.2	0.7
Amortization of unrecognized losses, transition obligation and prior service cost included in net (loss) income	1.8	1.6	3.7	3.3
Other	(0.1)	0.6	(1.4)	0.3
Income tax effect	(0.9)	(0.1)	(1.2)	(0.2)
	3.0	2.8	3.3	4.1
Other comprehensive income (loss), net of tax	49.2	12.1	(101.6)	23.4
TOTAL COMPREHENSIVE INCOME (LOSS)	5.3	184.9	(142.9)	186.7
Less: comprehensive income (loss) attributable to noncontrolling interests	1.3	3.6	(2.9)	2.0
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO IPG	$ 4.0	$ 181.3	$ (140.0)	$ 184.7

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Millions)
(Unaudited)

	June 30, 2020	December 31, 2019
ASSETS:		
Cash and cash equivalents	$ 1,085.4	$ 1,192.2
Accounts receivable, net of allowance of $81.3 and $40.2, respectively	3,146.6	5,209.2
Accounts receivable, billable to clients	1,463.7	1,934.1
Assets held for sale	26.6	22.8
Other current assets	492.0	412.4
Total current assets	6,214.3	8,770.7
Property and equipment, net of accumulated depreciation and amortization of $1,163.7 and $1,116.4, respectively	717.8	778.1
Deferred income taxes	287.7	252.1
Goodwill	4,842.4	4,894.4
Other intangible assets	968.1	1,014.3
Operating lease right-of-use assets	1,435.8	1,574.4
Other non-current assets	430.8	467.9
TOTAL ASSETS	$ 14,896.9	$ 17,751.9
LIABILITIES:		
Accounts payable	$ 4,328.1	$ 7,205.4
Accrued liabilities	599.3	742.8
Contract liabilities	557.6	585.6
Short-term borrowings	51.9	52.4
Current portion of long-term debt	503.0	502.0
Current portion of operating leases	258.5	267.2
Liabilities held for sale	68.1	65.0
Total current liabilities	6,366.5	9,420.4
Long-term debt	3,411.7	2,771.9
Non-current operating leases	1,347.7	1,429.6
Deferred compensation	375.5	425.0
Other non-current liabilities	749.2	714.7
TOTAL LIABILITIES	12,250.6	14,761.6
Redeemable noncontrolling interests (see Note 5)	155.2	164.7
STOCKHOLDERS’ EQUITY:		
Common stock	38.9	38.7
Additional paid-in capital	996.3	977.3
Retained earnings	2,444.3	2,689.9
Accumulated other comprehensive loss, net of tax	(1,029.1)	(930.0)
Total IPG stockholders’ equity	2,450.4	2,775.9
Noncontrolling interests	40.7	49.7
TOTAL STOCKHOLDERS’ EQUITY	2,491.1	2,825.6
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 14,896.9	$ 17,751.9

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Millions)
(Unaudited)

	Six months ended June 30,	
	2020	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (41.3)	$ 163.3
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	145.9	144.1
Provision for uncollectible receivables	39.4	6.7
Amortization of restricted stock and other non-cash compensation	35.8	44.1
Net amortization of bond discounts and deferred financing costs	5.3	4.6
Deferred income tax provision	(21.1)	(3.0)
Net losses on sales of businesses	43.2	11.8
Non-cash restructuring charges	67.6	11.7
Other	11.6	(1.0)
Changes in assets and liabilities, net of acquisitions and divestitures, providing (using) cash:		
Accounts receivable	1,871.2	743.3
Accounts receivable, billable to clients	418.9	(75.4)
Other current assets	(75.0)	(62.1)
Accounts payable	(2,731.4)	(676.9)
Accrued liabilities	(109.4)	(92.2)
Contract liabilities	(10.8)	50.2
Other non-current assets and liabilities	(14.1)	(70.2)
Net cash (used in) provided by operating activities	(364.2)	199.0
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(71.9)	(80.1)
Acquisitions, net of cash acquired	(2.5)	(0.6)
Other investing activities	(18.9)	2.8
Net cash used in investing activities	(93.3)	(77.9)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	646.2	0.0
Net increase in short-term borrowings	2.5	132.3
Exercise of stock options	0.0	0.6
Common stock dividends	(199.2)	(181.4)
Acquisition-related payments	(32.3)	(13.0)
Tax payments for employee shares withheld	(21.8)	(22.0)
Distributions to noncontrolling interests	(9.4)	(8.1)
Repayment of long-term debt	(0.1)	(100.1)
Other financing activities	(8.2)	0.0
Net cash provided by (used in) financing activities	377.7	(191.7)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(28.9)	10.3
Net decrease in cash, cash equivalents and restricted cash	(108.7)	(60.3)
Cash, cash equivalents and restricted cash at beginning of period	1,195.7	677.2
Cash, cash equivalents and restricted cash at end of period	$ 1,087.0	$ 616.9

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Amounts in Millions)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Total IPG Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount						
Balance at March 31, 2020	389.5	$ 38.9	$ 981.2	$ 2,591.1	$ (1,078.7)	$ 2,532.5	$ 42.7	$ 2,575.2
Net (loss) income				(45.6)		(45.6)	1.7	(43.9)
Other comprehensive income (loss)					49.6	49.6	(0.4)	49.2
Reclassifications related to redeemable noncontrolling interests							0.2	0.2
Distributions to noncontrolling interests							(3.8)	(3.8)
Change in redemption value of redeemable noncontrolling interests				—		—		—
Common stock dividends ($0.255 per share)				(101.2)		(101.2)		(101.2)
Stock-based compensation	0.2	0.1	15.5			15.6		15.6
Exercise of stock options	0.0	0.0	0.2			0.2		0.2
Shares withheld for taxes	(0.1)	(0.1)	(0.6)			(0.7)		(0.7)
Other							0.3	0.3
Balance at June 30, 2020	389.6	$ 38.9	$ 996.3	$ 2,444.3	$ (1,029.1)	$ 2,450.4	$ 40.7	$ 2,491.1

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Total IPG Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount						
Balance at December 31, 2019	387.0	$ 38.7	$ 977.3	$ 2,689.9	$ (930.0)	$ 2,775.9	$ 49.7	$ 2,825.6
Cumulative effect of accounting change				(6.6)		(6.6)		(6.6)
Net loss				(40.9)		(40.9)	(0.4)	(41.3)
Other comprehensive loss					(99.1)	(99.1)	(2.5)	(101.6)
Reclassifications related to redeemable noncontrolling interests							3.0	3.0
Distributions to noncontrolling interests							(9.4)	(9.4)
Change in redemption value of redeemable noncontrolling interests				3.1		3.1		3.1
Common stock dividends ($0.510 per share)				(201.2)		(201.2)		(201.2)
Stock-based compensation	3.6	0.4	40.6			41.0		41.0
Exercise of stock options	0.0	0.0	0.4			0.4		0.4
Shares withheld for taxes	(1.0)	(0.2)	(22.0)			(22.2)		(22.2)
Other							0.3	0.3
Balance at June 30, 2020	389.6	$ 38.9	$ 996.3	$ 2,444.3	$ (1,029.1)	$ 2,450.4	$ 40.7	$ 2,491.1

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Amounts in Millions)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Total IPG Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount						
Balance at March 31, 2019	386.2	$ 38.6	$ 903.3	$ 2,303.1	$ (929.7)	$ 2,315.3	$ 39.3	$ 2,354.6
Net income				169.5		169.5	3.3	172.8
Other comprehensive income					11.8	11.8	0.3	12.1
Reclassifications related to redeemable noncontrolling interests							(3.0)	(3.0)
Distributions to noncontrolling interests							(5.6)	(5.6)
Change in redemption value of redeemable noncontrolling interests				1.1		1.1		1.1
Common stock dividends ($0.235 per share)				(90.8)		(90.8)		(90.8)
Stock-based compensation	0.2	0.1	18.3			18.4		18.4
Exercise of stock options	0.1	0.0	0.0			0.0		0.0
Shares withheld for taxes	(0.1)	(0.1)	(0.2)			(0.3)		(0.3)
Other			0.0	(1.1)		(1.1)	0.2	(0.9)
Balance at June 30, 2019	386.4	$ 38.6	$ 921.4	$ 2,381.8	$ (917.9)	$ 2,423.9	$ 34.5	$ 2,458.4

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Total IPG Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount						
Balance at December 31, 2018	383.6	$ 38.3	$ 895.9	$ 2,400.1	$ (941.1)	$ 2,393.2	$ 39.6	$ 2,432.8
Cumulative effect of accounting change				2.2		2.2		2.2
Net income				161.5		161.5	1.8	163.3
Other comprehensive income					23.2	23.2	0.2	23.4
Reclassifications related to redeemable noncontrolling interests							(0.4)	(0.4)
Distributions to noncontrolling interests							(8.1)	(8.1)
Change in redemption value of redeemable noncontrolling interests				1.4		1.4		1.4
Common stock dividends ($0.470 per share)				(181.4)		(181.4)		(181.4)
Stock-based compensation	3.6	0.4	48.1			48.5		48.5
Exercise of stock options	0.1	0.0	0.6			0.6		0.6
Shares withheld for taxes	(0.9)	(0.1)	(22.2)			(22.3)		(22.3)
Other			(1.0)	(2.0)		(3.0)	1.4	(1.6)
Balance at June 30, 2019	386.4	$ 38.6	$ 921.4	$ 2,381.8	$ (917.9)	$ 2,423.9	$ 34.5	$ 2,458.4

The accompanying notes are an integral part of these unaudited financial statements.

Notes to Consolidated Financial Statements
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

Note 1: Basis of Presentation

The unaudited Consolidated Financial Statements have been prepared by The Interpublic Group of Companies, Inc. and its subsidiaries (the “Company,” “IPG,” “we,” “us” or “our”) in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for reporting interim financial information on Form 10-Q. Accordingly, they do not include certain information and disclosures required for complete financial statements. The effects of the COVID-19 pandemic have negatively impacted and will likely continue to negatively impact our results of operations, cash flows and financial position. The Company’s Consolidated Financial Statements presented herein reflect the latest estimates and assumptions made by management that affect the reported amounts of assets and liabilities and related disclosures as of the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting periods presented. The Company believes it has used reasonable estimates and assumptions to assess the fair values of goodwill, long-lived assets and indefinite-lived intangible assets; assessment of the annual effective tax rate; valuation of deferred income taxes and the allowance for doubtful accounts.

Actual results could differ from these estimates and assumptions. The consolidated results for interim periods are not necessarily indicative of results for the full year and should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2019 (the “2019 Annual Report”).

Cost of services is comprised of the expenses of our revenue-producing reportable segments, Integrated Agency Networks (“IAN”) and Constituency Management Group (“CMG”), including salaries and related expenses, office and other direct expenses and billable expenses, and includes an allocation of the centrally managed expenses of our Corporate and other group. Office and other direct expenses include rent expense, professional fees, certain expenses incurred by our staff in servicing our clients and other costs directly attributable to client engagements.

Selling, general and administrative expenses are primarily the unallocated expenses of our Corporate and other group, excluding depreciation and amortization.

Depreciation and amortization of fixed assets and intangible assets of the Company is disclosed as a separate operating expense.

Restructuring charges in the current period relate to the Company's implementation of restructuring actions to lower our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business, as discussed further in Note 7. Restructuring charges mainly include severance and termination costs and lease impairments costs.

Segment information for the prior period has been recast to conform to the current-period presentation.

In the opinion of management, these unaudited Consolidated Financial Statements include all adjustments, consisting only of normal and recurring adjustments necessary for a fair statement of the information for each period contained therein. Certain reclassifications and immaterial revisions have been made to prior-period financial statements to conform to the current-period presentation.

Notes to Consolidated Financial Statements – (continued)
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

Note 2: Revenue

Disaggregation of Revenue

We have two reportable segments as of June 30, 2020: IAN and CMG, as further discussed in Note 11. IAN principally generates revenue from providing advertising and media services as well as a comprehensive array of global communications, marketing services and data management. CMG generates revenue from a comprehensive array of global public relations and communication services as well as providing events, sports and entertainment marketing, corporate and brand identity, and strategic marketing consulting.

Our agencies are located in over 100 countries, including every significant world market. Our geographic revenue breakdown is listed below.

	Three months ended June 30,		Six months ended June 30,	
Total revenue:	**2020**	**2019**	**2020**	**2019**
United States	$ 1,309.6	$ 1,595.1	$ 2,879.2	$ 3,130.2
International:				
United Kingdom	159.3	209.8	356.4	416.0
Continental Europe	164.2	209.4	334.0	388.2
Asia Pacific	200.4	258.2	411.8	490.6
Latin America	65.7	101.8	152.5	191.1
Other	126.5	145.9	251.6	265.3
Total International	716.1	925.1	1,506.3	1,751.2
Total Consolidated	$ 2,025.7	$ 2,520.2	$ 4,385.5	$ 4,881.4

	Three months ended June 30,		Six months ended June 30,	
Net revenue:	**2020**	**2019**	**2020**	**2019**
United States	$ 1,227.2	$ 1,337.7	$ 2,547.2	$ 2,651.8
International:				
United Kingdom	147.2	180.4	312.9	350.7
Continental Europe	149.7	183.3	295.7	340.1
Asia Pacific	162.6	205.1	321.4	383.1
Latin America	62.3	92.1	141.6	172.4
Other	104.4	127.3	206.7	232.6
Total International	626.2	788.2	1,278.3	1,478.9
Total Consolidated	$ 1,853.4	$ 2,125.9	$ 3,825.5	$ 4,130.7

IAN	Three months ended June 30,		Six months ended June 30,	
Total revenue:	**2020**	**2019**	**2020**	**2019**
United States	$ 1,078.9	$ 1,206.8	$ 2,272.2	$ 2,406.9
International	593.6	752.8	1,219.1	1,414.9
Total IAN	$ 1,672.5	$ 1,959.6	$ 3,491.3	$ 3,821.8
Net revenue:				
United States	$ 1,048.4	$ 1,127.0	$ 2,160.3	$ 2,241.2
International	537.3	674.1	1,089.9	1,266.0
Total IAN	$ 1,585.7	$ 1,801.1	$ 3,250.2	$ 3,507.2

(Amounts in Millions, Except Per Share Amounts)

CMG	Three months ended June 30,		Six months ended June 30,	
Total revenue:	**2020**	**2019**	**2020**	**2019**
United States	$ 230.7	$ 388.3	$ 607.0	$ 723.3
International	122.5	172.3	287.2	336.3
Total CMG	$ 353.2	$ 560.6	$ 894.2	$ 1,059.6
Net revenue:				
United States	$ 178.8	$ 210.7	$ 386.9	$ 410.6
International	88.9	114.1	188.4	212.9
Total CMG	$ 267.7	$ 324.8	$ 575.3	$ 623.5

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	June 30, 2020	December 31, 2019
Accounts receivable, net of allowance of $81.3 and $40.2, respectively	$ 3,146.6	$ 5,209.2
Accounts receivable, billable to clients	1,463.7	1,934.1
Contract assets	46.7	63.0
Contract liabilities (deferred revenue)	557.6	585.6

Contract assets are primarily comprised of contract incentives that are generally satisfied annually under the terms of our contracts and are transferred to accounts receivable when the right to payment becomes unconditional. Contract liabilities relate to advance consideration received from customers under the terms of our contracts primarily related to reimbursements of third-party expenses, whether we act as principal or agent, and to a lesser extent, periodic retainer fees, both of which are generally recognized shortly after billing.

The majority of our contracts are for periods of one year or less with the exception of our data management contracts. For those contracts with a term of more than one year, we had approximately $696.0 of unsatisfied performance obligations as of June 30, 2020, which will be recognized as services are performed over the remaining contractual terms through 2026.

(Amounts in Millions, Except Per Share Amounts)

Note 3: Debt and Credit Arrangements

Long-Term Debt

A summary of the carrying amounts of our long-term debt is listed below.

	Effective Interest Rate	June 30, 2020	December 31, 2019
3.50% Senior Notes due 2020 (less unamortized discount and issuance costs of $0.1 and $0.4, respectively)	3.89%	$ 499.5	$ 498.5
3.75% Senior Notes due 2021 (less unamortized discount and issuance costs of $0.2 and $1.3, respectively)	3.98%	498.5	497.9
4.00% Senior Notes due 2022 (less unamortized discount and issuance costs of $0.6 and $0.4, respectively)	4.13%	249.0	248.7
3.75% Senior Notes due 2023 (less unamortized discount and issuance costs of $0.4 and $1.1, respectively)	4.32%	498.5	498.2
4.20% Senior Notes due 2024 (less unamortized discount and issuance costs of $0.4 and $1.6, respectively)	4.24%	498.0	497.8
4.65% Senior Notes due 2028 (less unamortized discount and issuance costs of $1.4 and $3.7, respectively)	4.78%	494.9	494.6
4.75% Senior Notes due 2030 (less unamortized discount and issuance costs of $3.7 and $6.0, respectively)	4.92%	640.3	—
5.40% Senior Notes due 2048 (less unamortized discount and issuance costs of $2.7 and $5.3, respectively)	5.48%	492.0	491.9
Other notes payable and capitalized leases		44.0	46.3
Total long-term debt		3,914.7	3,273.9
Less: current portion		503.0	502.0
Long-term debt, excluding current portion		$ 3,411.7	$ 2,771.9

As of June 30, 2020 and December 31, 2019, the estimated fair value of the Company's long-term debt was $4,299.4 and $3,565.5, respectively. Refer to Note 12 for details.

Debt Transactions

4.75% Senior Notes Due 2030

On March 30, 2020, we issued a total of $650.0 in aggregate principal amount of 4.75% senior unsecured notes (the “4.75% Senior Notes”) due March 30, 2030. Upon issuance, the 4.75% Senior Notes were reflected in our unaudited Consolidated Balance Sheets at $640.0, net of discount of $3.8 and net of capitalized debt issuance costs, including commissions and offering expenses of $6.2, both of which will be amortized in interest expense through the maturity date using the effective method. Interest is payable semi-annually in arrears on March 30th and September 30th of each year, commencing on September 30, 2020.

Consistent with our other outstanding debt securities, the newly issued 4.75% Senior Notes include covenants that, among other things, limit our liens and the liens of certain of our consolidated subsidiaries, but do not require us to maintain any financial ratios or specified levels of net worth or liquidity. We may redeem the 4.75% Senior Notes at any time in whole, or from time to time in part, in accordance with the provisions of the indenture, including the supplemental indenture, under which the 4.75% Senior Notes were issued. Additionally, upon the occurrence of a change of control repurchase event with respect to the 4.75% Senior Notes, each holder of the 4.75% Senior Notes has the right to require the Company to purchase that holder’s 4.75% Senior Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, unless the Company has exercised its option to redeem all the 4.75% Senior Notes.

Credit Arrangements

Credit Agreement

We maintain a committed corporate credit facility, originally dated as of July 18, 2008, which has been amended and restated from time to time (the "Credit Agreement"). We use our Credit Agreement to increase our financial flexibility, to provide letters of credit primarily to support obligations of our subsidiaries and to support our commercial paper program. The Credit Agreement is a revolving facility, expiring in November 2024, under which amounts borrowed by us or any of our subsidiaries designated under the Credit Agreement may be repaid and reborrowed, subject to an aggregate lending limit of $1,500.0, or the equivalent in other currencies. The Company has the ability to increase the commitments under the Credit Agreement from time to time by an additional amount of up to $250.0, provided the Company receives commitments for such increases and satisfies certain other conditions. The aggregate available amount of letters of credit outstanding may decrease or increase, subject to a sublimit of $50.0, or the equivalent in other currencies. Our obligations under the Credit Agreement are unsecured. As of June 30, 2020, there were no borrowings under the Credit Agreement; however, we had $8.3 of letters of credit under the Credit Agreement, which reduced our total availability to $1,491.7. We were in compliance with all of our covenants in the Credit Agreement as of June 30, 2020.

364-Day Credit Facility

On March 27, 2020, we entered into an agreement for a 364-day revolving credit facility (the "364-Day Credit Facility") that matures on March 26, 2021. The 364-Day Credit Facility is a revolving facility, under which amounts borrowed by us may be repaid and reborrowed, subject to an aggregate lending limit of $500.0. The cost structure of the 364-Day Credit Agreement is based on the Company’s current credit ratings. The applicable margin for Base Rate Advances (as defined in the 364-Day Credit Facility) is 0.250%, the applicable margin for Eurodollar Rate Advances (as defined in the 364-Day Credit Facility) is 1.250%, and the facility fee payable on a lender’s revolving commitment is 0.250%. In addition, the 364-Day Credit Facility includes covenants that, among other things, (i) limit our liens and the liens of our consolidated subsidiaries, and (ii) limit subsidiary debt. The 364-Day Credit Facility also contains a financial covenant that requires us to maintain, on a consolidated basis as of the end of each fiscal quarter, a leverage ratio for the four quarters then ended. The leverage ratio and other covenants set forth in the 364-Day Credit Facility are identical to the covenants contained in the Company’s existing Credit Agreement, which remains in full effect. As of June 30, 2020, there were no borrowings under the 364-Day Credit Facility, and we were in compliance with all of our covenants in the 364-Day Credit Facility.

Uncommitted Lines of Credit

We also have uncommitted lines of credit with various banks that permit borrowings at variable interest rates and that are primarily used to fund working capital needs. We have guaranteed the repayment of some of these borrowings made by certain subsidiaries. If we lose access to these credit lines, we would have to provide funding directly to some of our operations. As of June 30, 2020, the Company had uncommitted lines of credit in an aggregate amount of $928.4, under which we had outstanding borrowings of $51.9 classified as short-term borrowings on our Consolidated Balance Sheet. The average amount outstanding during the second quarter of 2020 was $76.4, with a weighted-average interest rate of approximately 3.7%.

Commercial Paper

The Company is authorized to issue unsecured commercial paper up to a maximum aggregate amount outstanding at any time of $1,500.0. Borrowings under the program are supported by the Credit Agreement described above. Proceeds of the commercial paper are used for working capital and general corporate purposes, including the repayment of maturing indebtedness and other short-term liquidity needs. The maturities of the commercial paper vary but may not exceed 397 days from the date of issue. As of June 30, 2020, there was no commercial paper outstanding. The average amount outstanding under the program during the second quarter of 2020 was $365.7, with a weighted-average interest rate of approximately 1.3% and a weighted-average maturity of 12 days.

(Amounts in Millions, Except Per Share Amounts)

Note 4: (Loss) Earnings Per Share

The following sets forth basic and diluted (loss) earnings per common share available to IPG common stockholders.

	Three months ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net (loss) income available to IPG common stockholders	$ (45.6)	$ 169.5	$ (40.9)	$ 161.5
Weighted-average number of common shares outstanding - basic	389.4	386.2	388.5	385.4
Dilutive effect of stock options and restricted shares	N/A	5.0	N/A	4.7
Weighted-average number of common shares outstanding - diluted	389.4	391.2	388.5	390.1
(Loss) earnings per share available to IPG common stockholders:				
Basic	$ (0.12)	$ 0.44	$ (0.11)	$ 0.42
Diluted	$ (0.12)	$ 0.43	$ (0.11)	$ 0.41

Weighted-average number of common shares outstanding and loss per share available to IPG common stockholders are equal on a basic and diluted basis for the three and six months ended June 30, 2020, respectively, because our potentially dilutive securities are anti-dilutive as a result of the net loss available to IPG common stockholders. The potential dilutive effect of stock options and restricted shares on basic weighted-average number of common shares outstanding totaling 2.9 and 3.3 was excluded from the diluted loss per share calculation for the three and six months ended June 30, 2020, respectively.

Note 5: Supplementary Data

Accrued Liabilities

The following table presents the components of accrued liabilities.

	June 30, 2020	December 31, 2019
Salaries, benefits and related expenses	$ 360.3	$ 494.1
Acquisition obligations	53.0	45.7
Interest	47.0	38.8
Restructuring charges	32.5	1.6
Income taxes payable	21.1	43.2
Office and related expenses	17.7	26.9
Other	67.7	92.5
Total accrued liabilities	$ 599.3	$ 742.8

(Amounts in Millions, Except Per Share Amounts)

Other Expense, Net

Results of operations for the three and six months ended June 30, 2020 and 2019 include certain items that are not directly associated with our revenue-producing operations.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net losses on sales of businesses	$ (19.9)	$ (3.2)	$ (43.2)	$ (11.8)
Other	(1.6)	(0.6)	(0.1)	1.1
Total other expense, net	$ (21.5)	$ (3.8)	$ (43.3)	$ (10.7)

Net losses on sales of businesses – During the three and six months ended June 30, 2020, the amounts recognized were related to sales of businesses and the classification of certain assets and liabilities, consisting primarily of cash, as held for sale within our IAN and CMG reportable segments. During the three and six months ended June 30, 2019, the amounts recognized were related to sales of businesses and the classification of certain assets and liabilities, consisting primarily of accounts receivable and cash, as held for sale within our IAN reportable segment. The businesses held for sale primarily represent unprofitable, non-strategic agencies which are expected to be sold within the next twelve months.

Other – During the three and six months ended June 30, 2019, the amounts recognized were primarily related to a sale of an equity investment.

Share Repurchase Program

On July 2, 2018, in connection with the announcement of the Acxiom acquisition, we announced that share repurchases will be suspended for a period of time in order to reduce the increased debt levels incurred in conjunction with the acquisition. As of June 30, 2020, $338.4, excluding fees, remains available for repurchase under the share repurchase programs authorized in previous years, which have no expiration date.

Redeemable Noncontrolling Interests

Many of our acquisitions include provisions under which the noncontrolling equity owners may require us to purchase additional interests in a subsidiary at their discretion. Redeemable noncontrolling interests are adjusted quarterly, if necessary, to their estimated redemption value, but not less than their initial fair value. Any adjustments to the redemption value impact retained earnings or additional paid in capital, except for foreign currency translation adjustments.

The following table presents changes in our redeemable noncontrolling interests.

	Six months ended June 30,	
	2020	2019
Balance at beginning of period	$ 164.7	$ 167.9
Change in related noncontrolling interests balance	(3.1)	0.2
Changes in redemption value of redeemable noncontrolling interests:		
Additions	0.0	24.3
Redemptions	(2.5)	(3.1)
Redemption value adjustments	(3.9)	(1.0)
Balance at end of period	$ 155.2	$ 188.3

Note 6: Income Taxes

For the three months ended June 30, 2020, our income tax provision was negatively impacted by losses in certain foreign jurisdictions where we received no tax benefit due to 100% valuation allowances, by net losses on sales of businesses and the classification of certain assets as held for sale for which we received no tax benefit and by tax expense associated with the change to our assertion regarding the permanent reinvestment of undistributed earnings attributable to certain foreign subsidiaries.

For the six months ended June 30, 2020, our income tax provision was negatively impacted by the same factors noted for the three months ended June 30, 2020 in addition to net losses on sales of businesses and the classification of certain assets as held for sale, for which we received minimal tax benefit.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was enacted and signed into law. The CARES Act includes several provisions for corporations including increasing the amount of deductible interest, allowing companies to carryback certain net operating losses (“NOLs”) and increasing the amount of NOLs that corporations can use to offset income. The CARES Act did not materially affect our quarter or year-to-date income tax provision, deferred tax assets and liabilities, or related taxes payable. We are currently assessing the future implications of these provisions within the CARES Act on our Consolidated Financial Statements, but do not expect the impact to be material.

In the second quarter of 2020, in response to changes in non-US tax law, a decision was made to change our indefinite reinvestment assertion on a $110.0 of undistributed foreign earnings of specific subsidiaries. We recorded $10.0 of income tax costs associated with this change to our assertion.

We have various tax years under examination by tax authorities in various countries, and in various states, in which we have significant business operations. It is not yet known whether these examinations will, in the aggregate, result in our paying additional taxes. We believe our tax reserves are adequate in relation to the potential for additional assessments in each of the jurisdictions in which we are subject to taxation. We regularly assess the likelihood of additional tax assessments in those jurisdictions and, if necessary, adjust our reserves as additional information or events require.

With respect to all tax years open to examination by U.S. federal, various state and local, and non-U.S. tax authorities, we currently anticipate that total unrecognized tax benefits will decrease by an amount between $180.0 and $190.0 in the next twelve months, a portion of which will affect our effective income tax rate, primarily as a result of the settlement of tax examinations and the lapsing of statutes of limitations.

We are effectively settled with respect to U.S. federal income tax audits through 2012, with the exception of 2009. With limited exceptions, we are no longer subject to state and local income tax audits for years prior to 2013 or non-U.S. income tax audits for years prior to 2009.

(Amounts in Millions, Except Per Share Amounts)

Note 7: Restructuring Charges

The components of restructuring charges for 2020 and 2019 restructuring plans are listed below.

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Severance and termination costs	$ 44.6	$ 2.1	$ 44.6	$ 22.0
Lease impairment costs	65.7	0.0	65.7	11.9
Other restructuring costs	2.3	0.0	2.3	0.0
Total restructuring charges	$ 112.6	$ 2.1	$ 112.6	$ 33.9

2020 Restructuring Plan

In the second quarter of 2020, the Company took restructuring actions to lower our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business (the “2020 Plan”). Most of these actions are based on our recent experience and learning in the COVID-19 pandemic and a resulting review of our operations, which continues, to address certain operating expenses such as occupancy expense and salaries and related expenses.

Net restructuring charges were comprised of $68.8 at IAN and $36.7 at CMG for the three and six months ended June 30, 2020, which include non-cash lease impairment costs of $35.8 at IAN and $26.8 at CMG. Restructuring actions under the 2020 Plan were identified and initiated during the second quarter of 2020, with additional actions expected during the third and fourth quarters and all actions to be substantially complete by the end of the fourth quarter of 2020.

During the first half of 2020, severance and termination costs related to a planned reduction in workforce of 694 employees. The employee groups affected include executive, regional and account management as well as administrative, creative and media production personnel.

Lease impairment costs, which relate to the office spaces that were vacated as part of the 2020 Plan, included impairments of operating lease right-of-use assets and associated leasehold improvements, furniture and asset retirement obligations. Lease impairments were calculated based on estimated fair values using market participant assumptions including forecasted net discounted cash flows related to the operating lease right-of-use assets.

A summary of the restructuring activities related to the 2020 Plan is as follows:

	2020 Plan			
	Restructuring Expense	**Non-Cash Items**	**Cash Payments**	**Liability at June 30, 2020**
Severance and termination costs	$ 44.6	$ 0.7	$ 10.1	$ 33.8
Lease impairment costs	65.7	65.7	0.0	0.0
Other	2.3	1.2	1.1	0.0
Total	$ 112.6	$ 67.6	$ 11.2	$ 33.8

2019 Restructuring Plan

In the first quarter of 2019, the Company implemented a cost initiative (the “2019 Plan”) to better align our cost structure with our revenue primarily related to specific client losses occurring in 2018. All restructuring actions were identified and initiated by the end of the first quarter of 2019, with all actions substantially completed by the end of the second quarter of 2019, and there have not been any restructuring adjustments.

Note 8: Incentive Compensation Plans

We issue stock-based compensation and cash awards to our employees under various plans established by the Compensation and Leadership Talent Committee of the Board of Directors (the "Compensation Committee") and approved by our stockholders. We issued the following stock-based awards under the 2019 Performance Incentive Plan (the "2019 PIP") during the six months ended June 30, 2020.

(Amounts in Millions, Except Per Share Amounts)

	Awards	Weighted-average grant-date fair value (per award)
Restricted stock (shares or units)	2.2	$ 20.76
Performance-based stock (shares)	2.3	$ 18.70
Total stock-based compensation awards	4.5	

During the six months ended June 30, 2020, the Compensation Committee granted performance cash awards under the 2019 PIP and restricted cash awards under the 2009 Restricted Cash Plan with a total annual target value of $43.3 and $35.2, respectively. Cash awards are expensed over the vesting period, which is typically three years for performance cash awards and two years or three years for restricted cash awards.

Note 9: Accumulated Other Comprehensive Loss, Net of Tax

The following tables present the changes in accumulated other comprehensive loss, net of tax, by component.

	Foreign Currency Translation Adjustments	Derivative Instruments	Defined Benefit Pension and Other Postretirement Plans	Total
Balance as of December 31, 2019	$ (697.7)	$ (3.5)	$ (228.8)	$ (930.0)
Other comprehensive (loss) income before reclassifications	(102.3)	(0.9)	0.4	(102.8)
Amount reclassified from accumulated other comprehensive loss, net of tax	(0.3)	1.1	2.9	3.7
Balance as of June 30, 2020	$ (800.3)	$ (3.3)	$ (225.5)	$ (1,029.1)

	Foreign Currency Translation Adjustments	Derivative Instruments	Defined Benefit Pension and Other Postretirement Plans	Total
Balance as of December 31, 2018	$ (716.4)	$ (5.3)	$ (219.4)	$ (941.1)
Other comprehensive income before reclassifications	12.3	0.0	1.5	13.8
Amount reclassified from accumulated other comprehensive loss, net of tax	5.8	1.0	2.6	9.4
Balance as of June 30, 2019	$ (698.3)	$ (4.3)	$ (215.3)	$ (917.9)

Amounts reclassified from accumulated other comprehensive loss, net of tax, for the three and six months ended June 30, 2020 and 2019 are as follows:

	Three months ended June 30,		Six months ended June 30,		Affected Line Item in the Consolidated Statements of Operations
	2020	2019	2020	2019	
Foreign currency translation adjustments	$ 3.3	$ 4.6	$ (0.3)	$ 5.8	Other expense, net
Losses on derivative instruments	0.6	0.6	1.2	1.2	Interest expense
Amortization of defined benefit pension and postretirement plan items	1.8	1.6	3.7	3.3	Other expense, net
Tax effect	(0.4)	(0.4)	(0.9)	(0.9)	Provision for income taxes
Total amount reclassified from accumulated other comprehensive loss, net of tax	$ 5.3	$ 6.4	$ 3.7	$ 9.4	

Notes to Consolidated Financial Statements – (continued)
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

Note 10: Employee Benefits

We have a defined benefit pension plan that covers certain U.S. employees (the "Domestic Pension Plan"). We also have numerous funded and unfunded plans outside the U.S. The Interpublic Limited Pension Plan in the U.K. is a defined benefit plan and is our most material foreign pension plan in terms of the benefit obligation and plan assets. Some of our domestic and foreign subsidiaries provide postretirement health benefits and life insurance to eligible employees and, in certain cases, their dependents. The domestic postretirement benefit plan is our most material postretirement benefit plan in terms of the benefit obligation. Certain immaterial foreign pension and postretirement benefit plans have been excluded from the table below.

The components of net periodic cost for the Domestic Pension Plan, the significant foreign pension plans and the domestic postretirement benefit plan are listed below.

	Domestic Pension Plan		Foreign Pension Plans		Domestic Postretirement Benefit Plan	
Three Months Ended June 30,	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Service cost	$ 0.0	$ 0.0	$ 1.1	$ 1.1	$ 0.0	$ 0.0
Interest cost	0.9	1.2	2.3	3.1	0.2	0.3
Expected return on plan assets	(1.4)	(1.4)	(4.6)	(4.4)	0.0	0.0
Amortization of:						
Prior service cost (credit)	0.0	0.0	0.1	0.1	0.0	(0.1)
Unrecognized actuarial losses	0.4	0.4	1.3	1.2	0.0	0.0
Net periodic cost	$ (0.1)	$ 0.2	$ 0.2	$ 1.1	$ 0.2	$ 0.2

	Domestic Pension Plan		Foreign Pension Plans		Domestic Postretirement Benefit Plan	
Six Months Ended June 30,	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Service cost	$ 0.0	$ 0.0	$ 2.3	$ 2.3	$ 0.0	$ 0.0
Interest cost	1.9	2.4	4.6	6.3	0.4	0.6
Expected return on plan assets	(2.8)	(2.9)	(9.3)	(8.8)	0.0	0.0
Amortization of:						
Prior service cost (credit)	0.0	0.0	0.1	0.1	0.0	(0.1)
Unrecognized actuarial losses	0.8	0.9	2.7	2.4	0.1	0.0
Net periodic cost	$ (0.1)	$ 0.4	$ 0.4	$ 2.3	$ 0.5	$ 0.5

The components of net periodic cost other than the service cost component are included in the line item "Other expense, net" in the Consolidated Statements of Operations.

During the six months ended June 30, 2020, we contributed $1.3 and $8.6 of cash to our domestic and foreign pension plans, respectively. For the remainder of 2020, we expect to contribute approximately $2.0 and $9.0 of cash to our domestic and foreign pension plans, respectively.

(Amounts in Millions, Except Per Share Amounts)

Note 11: Segment Information

As of June 30, 2020, we have two reportable segments: IAN and CMG. IAN is comprised of McCann Worldgroup, FCB (Foote, Cone & Belding), MullenLowe Group, Media, Data Services and Tech, which includes IPG Mediabrands, Acxiom and Kinesso, our digital specialist agencies and our domestic integrated agencies. CMG is comprised of a number of our specialist marketing services offerings including Weber Shandwick, DeVries, Golin, FutureBrand, Jack Morton and Octagon Worldwide. We also report results for the "Corporate and other" group. We continue to evaluate our financial reporting structure, and the profitability measure, employed by our chief operating decision maker for allocating resources to operating divisions and assessing operating division performance, is segment EBITA. Summarized financial information concerning our reportable segments is shown in the following table.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Total revenue:				
IAN	$ 1,672.5	$ 1,959.6	$ 3,491.3	$ 3,821.8
CMG	353.2	560.6	894.2	1,059.6
Total	$ 2,025.7	$ 2,520.2	$ 4,385.5	$ 4,881.4
Net revenue:				
IAN	$ 1,585.7	$ 1,801.1	$ 3,250.2	$ 3,507.2
CMG	267.7	324.8	575.3	623.5
Total	$ 1,853.4	$ 2,125.9	$ 3,825.5	$ 4,130.7
Segment EBITA [1]:				
IAN	$ 100.4	$ 262.4	$ 199.4	$ 378.4
CMG	(26.3)	42.9	(4.0)	43.3
Corporate and other	(11.8)	(19.8)	(35.9)	(64.4)
Total	$ 62.3	$ 285.5	$ 159.5	$ 357.3
Amortization of acquired intangibles:				
IAN	$ 20.8	$ 20.2	$ 41.0	$ 40.7
CMG	1.0	1.1	2.1	2.2
Corporate and other	0.0	0.0	0.0	0.0
Total	$ 21.8	$ 21.3	$ 43.1	$ 42.9
Depreciation and amortization [2]:				
IAN	$ 45.3	$ 44.9	$ 90.0	$ 87.0
CMG	5.4	5.2	10.5	10.0
Corporate and other	0.6	1.6	2.3	4.2
Total	$ 51.3	$ 51.7	$ 102.8	$ 101.2
Capital expenditures:				
IAN	$ 19.8	$ 35.9	$ 53.5	$ 62.4
CMG	1.3	2.9	2.9	3.9
Corporate and other	6.2	8.5	15.5	13.8
Total	$ 27.3	$ 47.3	$ 71.9	$ 80.1

1 Adjusted EBITA is calculated as net (loss) income available to IPG common stockholders before provision for incomes taxes, total (expenses) and other income, equity in net loss of unconsolidated affiliates, net (income) loss attributable to noncontrolling interests and amortization of acquired intangibles.
2 Excludes amortization of acquired intangibles.

(Amounts in Millions, Except Per Share Amounts)

	June 30, 2020	December 31, 2019
Total assets:		
IAN	$ 12,667.1	$ 15,155.2
CMG	1,528.2	1,725.5
Corporate and other	701.6	871.2
Total	$ 14,896.9	$ 17,751.9

The following table presents the reconciliation of segment EBITA to Income before income taxes.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
IAN EBITA	$ 100.4	$ 262.4	$ 199.4	$ 378.4
CMG EBITA	(26.3)	42.9	(4.0)	43.3
Corporate and other EBITA	(11.8)	(19.8)	(35.9)	(64.4)
Less: consolidated amortization of acquired intangibles	21.8	21.3	43.1	42.9
Operating income	40.5	264.2	116.4	314.4
Total (expenses) and other income	(65.4)	(47.7)	(121.3)	(96.6)
(Loss) Income before income taxes	$ (24.9)	$ 216.5	$ (4.9)	$ 217.8

Note 12: Fair Value Measurements

Authoritative guidance for fair value measurements establishes a fair value hierarchy which requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Financial Instruments that are Measured at Fair Value on a Recurring Basis

We primarily apply the market approach to determine the fair value of financial instruments that are measured at fair value on a recurring basis. There were no changes to our valuation techniques used to determine the fair value of financial instruments during the six months ended June 30, 2020. The following tables present information about our financial instruments measured at fair value on a recurring basis as of June 30, 2020 and December 31, 2019, and indicate the fair value hierarchy of the valuation techniques utilized to determine such fair value.

Notes to Consolidated Financial Statements – (continued)
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

	June 30, 2020				
	Level 1	Level 2	Level 3	Total	Balance Sheet Classification
Assets					
Cash equivalents	$ 690.2	$ 0.0	$ 0.0	$ 690.2	Cash and cash equivalents
Liabilities					
Contingent acquisition obligations [1]	$ 0.0	$ 0.0	$ 96.5	$ 96.5	Accrued liabilities and Other non-current liabilities

	December 31, 2019				
	Level 1	Level 2	Level 3	Total	Balance Sheet Classification
Assets					
Cash equivalents	$ 786.0	$ 0.0	$ 0.0	$ 786.0	Cash and cash equivalents
Liabilities					
Contingent acquisition obligations [1]	$ 0.0	$ 0.0	$ 114.1	$ 114.1	Accrued liabilities and Other non-current liabilities

1 Contingent acquisition obligations includes deferred acquisition payments and unconditional obligations to purchase additional noncontrolling equity shares of consolidated subsidiaries. Fair value measurement of the obligations is based upon actual and projected operating performance targets as specified in the related agreements. The decrease in this balance of $17.6 from December 31, 2019 to June 30, 2020 is primarily due to acquisition payments, partially offset by valuation adjustments, an increase in deferred acquisition payments and exercises of put options. The amounts payable within the next twelve months are classified in accrued liabilities; any amounts payable thereafter are classified in other non-current liabilities.

Financial Instruments that are not Measured at Fair Value on a Recurring Basis

The following table presents information about our financial instruments that are not measured at fair value on a recurring basis as of June 30, 2020 and December 31, 2019, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value.

	June 30, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Total long-term debt	$ 0.0	$ 4,254.0	$ 45.4	$ 4,299.4	$ 0.0	$ 3,520.0	$ 45.5	$ 3,565.5

Our long-term debt is comprised of senior notes and other notes payable. The fair value of our senior notes, which are traded over-the-counter, is based on quoted prices in markets that are not active. Therefore, these senior notes are classified as Level 2. Our other notes payable are not actively traded, and their fair value is not solely derived from readily observable inputs. The fair value of our other notes payable is determined based on a discounted cash flow model and other proprietary valuation methods, and therefore is classified as Level 3. See Note 3 for further information on our long-term debt.

The discount rates used as significant unobservable inputs in the Level 3 fair value measurements of our contingent acquisition obligations and long-term debt as of June 30, 2020 ranged from 2.0% to 5.0% and 0.5% to 3.5%, respectively.

Non-financial Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

Certain non-financial assets and liabilities are measured at fair value on a nonrecurring basis, primarily goodwill (Level 3), intangible assets, and property and equipment. Accordingly, these assets are not measured and adjusted to fair value on an ongoing basis but are subject to periodic evaluations for potential impairment.

During the second quarter of 2020, recent economic developments related to the COVID-19 pandemic contributed to declines in our most recent forecasted financial results. We evaluated our reporting units including the impact of these declines, restructuring actions taken in the second quarter of 2020 and other reporting unit specific factors, and concluded that this constituted a goodwill triggering event for one reporting unit, requiring us to evaluate its goodwill for impairment. Based on the results of a quantitative interim impairment test, we concluded that the reporting unit's goodwill was not impaired as of June 30, 2020, because the fair value of the reporting unit was in excess of its carrying value.

Note 13: Commitments and Contingencies

Guarantees

As discussed in our 2019 Annual Report, we have guaranteed certain obligations of our subsidiaries relating principally to operating leases, uncommitted lines of credit and cash pooling arrangements. As of June 30, 2020 and December 31, 2019, the amount of parent company guarantees on lease obligations was $684.0 and $739.1, respectively, the amount of parent company guarantees relating to uncommitted lines of credit was $270.9 and $293.8, respectively, and the amount of parent company guarantees related to daylight overdrafts, primarily utilized to manage intra-day overdrafts due to timing of transactions under cash pooling arrangements without resulting in incremental borrowings, was $207.0 and $207.7, respectively.

Legal Matters

We are involved in various legal proceedings, and subject to investigations, inspections, audits, inquiries and similar actions by governmental authorities, arising in the normal course of business. The types of allegations that arise in connection with such legal proceedings may vary in nature, but can include claims related to contract, employment, tax and intellectual property matters. We evaluate all cases each reporting period and record liabilities for losses from legal proceedings when we determine that it is probable that the outcome in a legal proceeding will be unfavorable and the amount, or potential range, of loss can be reasonably estimated. In certain cases, we cannot reasonably estimate the potential loss because, for example, the litigation is in its early stages. While any outcome related to litigation or such governmental proceedings in which we are involved cannot be predicted with certainty, management believes that the outcome of these matters, individually and in the aggregate, will not have a material adverse effect on our financial condition, results of operations or cash flows.

Note 14: Recent Accounting Standards

Accounting pronouncements not listed below were assessed and determined to be not applicable or are expected to have minimal impact on our Consolidated Financial Statements.

Financial Instrument Credit Losses

In June 2016, the Financial Accounting Standards Board ("FASB") issued amended guidance on the accounting for credit losses on certain types of financial instruments, including trade receivables. The new model uses a forward-looking expected loss method, as opposed to the incurred loss method in current U.S. GAAP, which will generally result in earlier recognition of allowances for losses. We adopted this standard using the modified retrospective approach with an effective date of January 1, 2020. The adoption of this amended guidance did not have a material impact on our Consolidated Financial Statements.

Fair Value Measurement Disclosures

In August 2018, the FASB issued amended disclosure requirements for fair value measurements by removing, modifying and adding certain disclosures. This amended guidance was effective beginning January 1, 2020. The adoption of this guidance did not have a material impact on our Consolidated Financial Statements.

Income Taxes

In December 2019, the FASB issued amended guidance to simplify the accounting for income taxes by removing certain exceptions and amending certain sections of existing guidance under ASC 740. This amended guidance is effective January 1, 2021 with early adoption permitted as early as January 1, 2020. We are currently assessing the impact the adoption of the amended guidance will have on our Consolidated Financial Statements.

Note 15: Subsequent Events

Credit Agreement Amendments

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. Amendment No. 1 to the Credit Agreement also increased the Applicable Margin (as defined in the Credit Agreement) for any borrowings we make under the Credit Agreement if our long-term public debt ratings are BB+/Ba1 or below at the time of borrowing. We have the option to terminate Amendment No. 1 to the Credit Agreement at any time, provided that at the time we deliver a termination notice the leverage ratio as of the end of the most recently ended fiscal quarter did not exceed 3.50x. The Credit Agreement reverts to its original terms on June 30, 2021, or following any such early termination, whichever is earlier. We paid amendment fees of $2.0 in connection with the Amendments.

Tax Examination Settlement

On July 29, 2020, the Internal Revenue Service notified the Company that the U.S. Federal income tax examination of years 2006 through 2016 has been finalized and effectively settled. As a result, we expect to recognize an income tax benefit of approximately $135.0 in the third quarter of 2020.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help you understand The Interpublic Group of Companies, Inc. and its subsidiaries (the "Company," "IPG," "we," "us" or "our"). MD&A should be read in conjunction with our unaudited Consolidated Financial Statements and the accompanying notes included in this report and our Annual Report on Form 10-K for the year ended December 31, 2019 (the "2019 Annual Report"), as well as our other reports and filings with the Securities and Exchange Commission (the "SEC"). Our 2019 Annual Report includes additional information about our significant accounting policies and practices as well as details about the most significant risks and uncertainties associated with our financial and operating results. Our MD&A includes the following sections:

EXECUTIVE SUMMARY provides a discussion about our strategic outlook, factors influencing our business and an overview of our results of operations.

RESULTS OF OPERATIONS provides an analysis of the consolidated and segment results of operations for the periods presented.

LIQUIDITY AND CAPITAL RESOURCES provides an overview of our cash flows, funding requirements, financing and sources of funds, and debt credit ratings.

CRITICAL ACCOUNTING ESTIMATES provides an update to the discussion in our 2019 Annual Report of our accounting policies that require critical judgment, assumptions and estimates.

RECENT ACCOUNTING STANDARDS, by reference to Note 14 to the unaudited Consolidated Financial Statements, provides a discussion of certain accounting standards that have been recently adopted or that have not yet been required to be implemented and may be applicable to our future operations.

NON-GAAP FINANCIAL MEASURE, provides a reconciliation of non-GAAP financial measure with the most directly comparable generally accepted accounting principles in the United States ("U.S. GAAP") financial measures and sets forth the reasons we believe that presentation of the non-GAAP financial measure contained therein provides useful information to investors regarding our results of operations and financial condition.

EXECUTIVE SUMMARY

In March 2020, the World Health Organization categorized the novel coronavirus (COVID-19) as a pandemic, and it continues to spread extensively throughout the United States and the rest of the world with different geographical locations impacted more than others. The outbreak of COVID-19 and public and private sector measures to reduce its transmission, such as forced business closures and limits on operations, the imposition of social distancing and orders to work-from-home, stay-at-home and shelter-in-place, have adversely impacted our business and demand for our services. Businesses have adjusted, reduced or suspended operating activities, which has negatively impacted the markets we serve. We continue to believe that our focus on our strategic strengths, which include talent, our differentiated go-to-market strategy, data management capabilities, and the relevance of our offerings, position us well to navigate a rapidly changing marketplace. The effects of the COVID-19 pandemic have negatively impacted and will likely continue to negatively impact our results of operations, cash flows and financial position; however, the extent of the impact will vary depending on the duration and severity of the economic and operational impacts of COVID-19.

We have taken steps to protect the safety of our employees, and to support their working arrangements, with a majority of our worldwide workforce continuing to work from home. We believe we have had significant success in maintaining and continuing to advance the quality of our services notwithstanding extensive changes required by the pandemic. With respect to managing costs, we have multiple initiatives underway to align our expenses with changes in revenue. The steps we have taken across our agencies and corporate group include deferred merit increases, freezes on hiring and temporary labor, major cuts in non-essential spending, staff reductions, furloughs in markets where that option is available and salary reductions, including voluntary salary reductions for our senior corporate management team.

In the second quarter of 2020, the Company took restructuring actions to lower our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business (the "2020 Plan"). Most of these actions are based on our recent experience and learning in the COVID-19 pandemic and a resulting review of our operations, which continues, to address certain operating expenses such as occupancy expense and salaries and related expenses. Notably, we foresee a greater role for work-from-home in a hybrid office-home model to deliver and support our services in a post-COVID world. In addition, we remain committed to and have intensified our efforts around cash flow discipline, including the identification of significant capital expenditures that can be deferred, and working capital management.

We began to see the effects of COVID-19 on client spending throughout the first and second quarters, first in the Asia Pacific region in the first quarter and subsequently in the U.S., Europe and other markets beginning in March and continuing throughout the second quarter. Growth in our retail and healthcare sector clients was offset by broad-based declines across most other sectors due to economic conditions, with the greatest declines in our experiential and events businesses. We expect continued negative impacts on our third-quarter results as clients continue to respond to the current economic conditions by reducing their marketing budgets, which will affect the demand for our services. See Item 1A, *Risk Factors*, in this Quarterly Report on Form 10-Q.

We have also taken steps to strengthen our financial position during this period of heightened uncertainty. As discussed in more detail below under "Liquidity and Capital Resources," on March 30, 2020, we issued $650.0 aggregate principal amount of 4.75% senior unsecured notes due 2030 (the "4.75% Senior Notes") and on March 27, 2020, we entered into a new $500.0 364-day revolving credit facility. We believe these steps will further enhance our financial resources as we navigate the period ahead.

Results for the three and six months ended June 30, 2020, are not indicative of the results that may be expected for the fiscal year ending December 31, 2020. The Consolidated Financial Statements and MD&A presented herein reflect the latest estimates and assumptions made by us that affect the reported amounts of assets and liabilities and related disclosures as of the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting periods presented. We believe we have used reasonable estimates and assumptions to assess the fair values of the Company's goodwill, long-lived assets and indefinite-lived intangible assets; assessment of the annual effective tax rate; valuation of deferred income taxes and the allowance for doubtful accounts. If actual market conditions vary significantly from those currently projected, these estimates and assumptions could materially change resulting in adjustments to the carrying values of our assets and liabilities.

We are one of the world's premier global advertising and marketing services companies. Our companies specialize in consumer advertising, digital marketing, media planning and buying, public relations, specialized communications disciplines and data management. Our agencies create customized marketing programs for clients that range in scale from large global marketers to regional and local clients. Comprehensive global services are critical to effectively serve our multinational and local clients in markets throughout the world as they seek to build brands, increase sales of their products and services, and gain market share.

We operate in a media landscape that continues to evolve at a rapid pace. Media channels continue to fragment, and clients face an increasingly complex consumer environment. To stay ahead of these challenges and to achieve our objectives, we have made and continue to make investments in creative, strategic and technology talent in areas including fast-growth digital marketing channels, high-growth geographic regions and strategic world markets. We consistently review opportunities within our Company to enhance our operations through acquisitions and strategic alliances and internal programs that encourage intra-company collaboration. As appropriate, we also develop relationships with technology and emerging media companies that are building leading-edge marketing tools that complement our agencies' skill sets and capabilities.

Our financial goals include competitive organic net revenue growth and expansion of Adjusted EBITA margin, as defined and discussed within the Non-GAAP Financial Measure section of this MD&A, which we expect will further strengthen our balance sheet and total liquidity and increase value to our shareholders. Accordingly, we remain focused on meeting the evolving needs of our clients while concurrently managing our cost structure. We continually seek greater efficiency in the delivery of our services, focusing on more effective resource utilization, including the productivity of our employees, real estate, information technology and shared services, such as finance, human resources and legal. The improvements we have made and continue to make in our financial reporting and business information systems in recent years allow us more timely and actionable insights from our global operations. Our disciplined approach to our balance sheet and liquidity provides us with a solid financial foundation and financial flexibility to manage and grow our business. We believe that our strategy and execution position us to meet our financial goals and to deliver long-term shareholder value.

When we analyze period-to-period changes in our operating performance, we determine the portion of the change that is attributable to changes in foreign currency rates and the net effect of acquisitions and divestitures, and the remainder we call organic change, which indicates how our underlying business performed. We exclude the impact of billable expenses in analyzing our operating performance as the fluctuations from period to period are not indicative of the performance of our underlying businesses and have no impact on our operating income or net income.

The change in our operating performance attributable to changes in foreign currency rates is determined by converting the prior-period reported results using the current-period exchange rates and comparing these prior-period adjusted amounts to the prior-period reported results. Although the U.S. Dollar is our reporting currency, a substantial portion of our revenues and expenses are generated in foreign currencies. Therefore, our reported results are affected by fluctuations in the currencies in which we conduct our international businesses. Our exposure is mitigated as the majority of our revenues and expenses in any given market are generally denominated in the same currency. Both positive and negative currency fluctuations against the U.S. Dollar affect our consolidated results of operations, and the magnitude of the foreign currency impact to our operations related to each geographic region depends on the significance and operating performance of the region. The foreign currencies that most adversely impacted our results during the first half of 2020 were the Brazilian Real, British Pound Sterling, Euro, Argentine Peso and Australian Dollar.

(Amounts in Millions, Except Per Share Amounts)

For purposes of analyzing changes in our operating performance attributable to the net effect of acquisitions and divestitures, transactions are treated as if they occurred on the first day of the quarter during which the transaction occurred. During the past few years, we have acquired companies that we believe will enhance our offerings and disposed of businesses that are not consistent with our strategic plan.

The metrics that we use to evaluate our financial performance include organic change in net revenue as well as the change in certain operating expenses, and the components thereof, expressed as a percentage of consolidated net revenue, as well as Adjusted EBITA. These metrics are also used by management to assess the financial performance of our reportable segments, Integrated Agency Networks ("IAN") and Constituency Management Group ("CMG"). In certain of our discussions, we analyze net revenue by geographic region and by business sector, in which we focus on our top 100 clients, which typically constitute approximately 55% to 60% of our annual consolidated net revenues.

The following table presents a summary of our financial performance for the three and six months ended June 30, 2020 and 2019.

	Three months ended June 30,			Six months ended June 30,		
Statement of Operations Data	**2020**	**2019**	**% Increase/ (Decrease)**	**2020**	**2019**	**% Increase/ (Decrease)**
REVENUE:						
Net revenue	$ 1,853.4	$ 2,125.9	(12.8)%	$ 3,825.5	$ 4,130.7	(7.4)%
Billable expenses	172.3	394.3	(56.3)%	560.0	750.7	(25.4)%
Total revenue	$ 2,025.7	$ 2,520.2	(19.6)%	$ 4,385.5	$ 4,881.4	(10.2)%
OPERATING INCOME	$ 40.5	$ 264.2	(84.7)%	$ 116.4	$ 314.4	(63.0)%
Adjusted EBITA [1]	$ 62.3	$ 285.5	(78.2)%	$ 159.5	$ 357.3	(55.4)%
NET (LOSS) INCOME AVAILABLE TO IPG COMMON STOCKHOLDERS	$ (45.6)	$ 169.5		$ (40.9)	$ 161.5	
Earnings per share available to IPG common stockholders:						
Basic	$ (0.12)	$ 0.44		$ (0.11)	$ 0.42	
Diluted	$ (0.12)	$ 0.43		$ (0.11)	$ 0.41	
Operating Ratios						
Organic change in net revenue	(9.9)%	3.0%		(5.0)%	4.6%	
Operating margin on net revenue	2.2 %	12.4%		3.0 %	7.6%	
Operating margin on total revenue	2.0 %	10.5%		2.7 %	6.4%	
Adjusted EBITA margin on net revenue [1]	3.4 %	13.4%		4.2 %	8.6%	
Expenses as a % of net revenue:						
Salaries and related expenses	70.5 %	65.0%		71.3 %	67.8%	
Office and other direct expenses	17.1 %	18.2%		18.2 %	18.8%	
Selling, general and administrative expenses	0.2 %	0.8%		0.7 %	1.4%	
Depreciation and amortization	3.9 %	3.4%		3.8 %	3.5%	
Restructuring charges [2]	6.1 %	0.1%		2.9 %	0.8%	

1 Adjusted EBITA is a financial measure that is not defined by U.S. GAAP. Adjusted EBITA is calculated as net income available to IPG common stockholders before provision for incomes taxes, total (expenses) and other income, equity in net income (loss) of unconsolidated affiliates, net income attributable to noncontrolling interests and amortization of acquired intangibles. Refer to the *"Non-GAAP Financial Measure"* section of this MD&A for additional information and for a reconciliation to U.S. GAAP measures.

2 Results include restructuring charges of $112.6 for the three and six months ended June 30, 2020 and $2.1 and $33.9 for the three and six months ended June 30, 2019, respectively. See *"Restructuring Charges"* in this MD&A and Note 7 to the Consolidated Financial Statements for further information.

Our organic net revenue decrease of 9.9% for the second quarter of 2020 was primarily attributable to lower spending from existing clients as well as net client losses in the auto and transportation, financial services and consumer goods sectors, partially offset by a combination of net client wins and net higher spending from existing clients in the healthcare and retail sectors. During the second quarter of 2020, our Adjusted EBITA margin decreased to 3.4% from 13.4% in the prior-year period as the decrease in net revenue, discussed below in the *"Results of Operations"* section, exceeded the overall decrease in our operating expense, excluding billable expenses and amortization of acquired intangibles.

Our organic net revenue decrease of 5.0% for the first half of 2020 was primarily attributable to lower spending from existing clients and net client losses in the auto and transportation, government and consumer goods sectors, partially offset by a combination of net client wins and net higher spending from existing clients in the healthcare and retail sectors. During the first half of 2020, our Adjusted EBITA margin decreased to 4.2% from 8.6% in the prior-year period as the decrease in net revenue, discussed below in the *"Results of Operations"* section, exceeded the overall decrease in our operating expense, excluding billable expenses and amortization of acquired intangibles.

(Amounts in Millions, Except Per Share Amounts)

RESULTS OF OPERATIONS

Consolidated Results of Operations – Three and Six Months Ended June 30, 2020 Compared to Three and Six Months Ended June 30, 2019

Net Revenue

In a typical year (pre-pandemic), our net revenue is directly impacted by the retention and spending levels of existing clients and by our ability to win new clients. Most of our expenses are recognized ratably throughout the year and are therefore less seasonal than revenue. Our net revenue is typically lowest in the first quarter and highest in the fourth quarter, reflecting the seasonal spending of our clients.

		Components of Change				Change	
	Three months ended June 30, 2019	**Foreign Currency**	**Net Acquisitions/ (Divestitures)**	**Organic**	**Three months ended June 30, 2020**	**Organic**	**Total**
Consolidated	$ 2,125.9	$ (44.8)	$ (17.8)	$ (209.9)	$ 1,853.4	(9.9)%	(12.8)%
Domestic	1,337.7	—	(4.1)	(106.4)	1,227.2	(8.0)%	(8.3)%
International	788.2	(44.8)	(13.7)	(103.5)	626.2	(13.1)%	(20.6)%
United Kingdom	180.4	(7.5)	0.5	(26.2)	147.2	(14.5)%	(18.4)%
Continental Europe	183.3	(5.6)	(7.7)	(20.3)	149.7	(11.1)%	(18.3)%
Asia Pacific	205.1	(8.0)	(5.8)	(28.7)	162.6	(14.0)%	(20.7)%
Latin America	92.1	(19.5)	(0.7)	(9.6)	62.3	(10.4)%	(32.4)%
Other	127.3	(4.2)	0.0	(18.7)	104.4	(14.7)%	(18.0)%

The organic decrease during the second quarter of 2020 in our domestic market was primarily driven by the revenue declines at our digital specialist agencies, media businesses and sports and event marketing businesses, primarily due to sports and events cancellations. In our international markets, the organic decrease was driven by the revenue declines at our advertising businesses, primarily in the United Kingdom and Asia Pacific regions, media businesses, primarily in Continental Europe, and public relations agencies, primarily in the Asia Pacific region.

		Components of Change				Change	
	Six months ended June 30, 2019	**Foreign Currency**	**Net Acquisitions/ (Divestitures)**	**Organic**	**Six months ended June 30, 2020**	**Organic**	**Total**
Consolidated	$ 4,130.7	$ (65.4)	$ (35.3)	$ (204.5)	$ 3,825.5	(5.0)%	(7.4)%
Domestic	2,651.8	—	(8.1)	(96.5)	2,547.2	(3.6)%	(3.9)%
International	1,478.9	(65.4)	(27.2)	(108.0)	1,278.3	(7.3)%	(13.6)%
United Kingdom	350.7	(9.1)	0.5	(29.2)	312.9	(8.3)%	(10.8)%
Continental Europe	340.1	(10.7)	(15.3)	(18.4)	295.7	(5.4)%	(13.1)%
Asia Pacific	383.1	(12.0)	(11.5)	(38.2)	321.4	(10.0)%	(16.1)%
Latin America	172.4	(29.1)	(0.7)	(1.0)	141.6	(0.6)%	(17.9)%
Other	232.6	(4.5)	(0.2)	(21.2)	206.7	(9.1)%	(11.1)%

The organic decrease during the first half of 2020 in our domestic market was primarily driven by the revenue declines at our digital specialist agencies, media businesses and sports and event marketing businesses, primarily due to sports and events cancellations, partially offset by growth at our advertising businesses. In our international markets, the organic decrease was driven by the factors similar to those noted above for the second quarter of 2020.

Refer to the segment discussion later in this MD&A for information on changes in net revenue by segment.

(Amounts in Millions, Except Per Share Amounts)

Salaries and Related Expenses

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% Increase/ (Decrease)	2020	2019	% Increase/ (Decrease)
Salaries and related expenses	$ 1,306.1	$ 1,381.2	(5.4)%	$ 2,728.9	$ 2,802.3	(2.6)%

As a % of net revenue:

Salaries and related expenses	**70.5%**	**65.0%**	**71.3%**	**67.8%**
Base salaries, benefits and tax	59.2%	54.9%	60.4%	57.1%
Incentive expense	4.1%	4.2%	3.9%	4.5%
Severance expense	3.0%	0.5%	2.1%	0.7%
Temporary help	3.1%	4.1%	3.8%	4.1%
All other salaries and related expenses	1.1%	1.3%	1.1%	1.4%

Salaries and related expenses decreased by 5.4% compared to net revenue decline of 12.8% during the second quarter of 2020 as compared to the prior-year period. The decrease was primarily driven by reductions in base salaries, benefits and tax and lower temporary help expenses in response to the declines in net revenue, which were primarily due to the effects of the COVID-19 pandemic on economic conditions, in addition to lower incentive expense. The cumulative decreases were partially offset by increased severance expense.

Salaries and related expenses decreased by 2.6% compared to net revenue decline of 7.4% during the first half of 2020 as compared to the prior-year period, primarily driven by factors similar to those noted above for the second quarter of 2020.

Office and Other Direct Expenses

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% Increase/ (Decrease)	2020	2019	% Increase/ (Decrease)
Office and other direct expenses	$ 317.0	$ 387.3	(18.2)%	$ 695.2	$ 776.5	(10.5)%

As a % of net revenue:

Office and other direct expenses	**17.1%**	**18.2%**	**18.2%**	**18.8%**
Occupancy expense	6.6%	6.5%	6.6%	6.5%
All other office and other direct expenses [1]	10.5%	11.7%	11.6%	12.3%

1 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.

Office and other direct expenses decreased by 18.2% compared to net revenue decline of 12.8% during the second quarter of 2020 as compared to the prior-year period. The decrease in office and other direct expenses was mainly due to decreases in travel and entertainment expenses and new business and promotion expenses as well as lower occupancy expense, partially offset by an increase in bad debt expense and a year-over-year change in contingent acquisition obligations.

Office and other direct expenses decreased by 10.5% compared to net revenue decline of 7.4% during the first half of 2020 as compared to the prior-year period. The decrease in office and other direct expenses was mainly due to factors similar to those noted above for the second quarter of 2020 as well as a reduction in professional consulting fees.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") are primarily the unallocated expenses of our Corporate and other group, as detailed further in the segment discussion later in this MD&A, excluding depreciation and amortization. For the three and six months ended June 30, 2020, SG&A as a percentage of net revenue decreased as compared to the prior-year period, primarily attributable to a decrease in employee insurance expense, resulting from fewer insurance claims with elective procedures and routine care being delayed in 2020 as well as a decrease in travel and entertainment expenses.

(Amounts in Millions, Except Per Share Amounts)

Depreciation and Amortization

During the second quarter of 2020, depreciation and amortization expenses remained relatively flat as compared to the prior-year period. During the first half of 2020, depreciation and amortization expenses slightly increased compared to the prior-year period.

Restructuring Charges

The components of restructuring charges for 2020 and 2019 restructuring plans are listed below.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Severance and termination costs	$ 44.6	$ 2.1	$ 44.6	$ 22.0
Lease impairment costs	65.7	0.0	65.7	11.9
Other restructuring costs	2.3	0.0	2.3	0.0
Total restructuring charges	$ 112.6	$ 2.1	$ 112.6	$ 33.9

2020 Restructuring Plan

In the second quarter of 2020, the Company took restructuring actions to lower our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business (the "2020 Plan"). Most of these actions are based on our recent experience and learning in the COVID-19 pandemic and a resulting review of our operations, which continues, to address certain operating expenses such as occupancy expense and salaries and related expenses.

Net restructuring charges were comprised of $68.8 at IAN and $36.7 at CMG for the three and six months ended June 30, 2020, which include non-cash lease impairment costs of $35.8 at IAN and $26.8 at CMG. Restructuring actions under the 2020 Plan were identified and initiated during the second quarter of 2020, with additional actions expected during the third and fourth quarters and all actions to be substantially complete by the end of the fourth quarter of 2020.

During the first half of 2020, severance and termination costs related to a planned reduction in workforce of 694 employees. The employee groups affected include executive, regional and account management as well as administrative, creative and media production personnel.

Lease impairment costs, which relate to the office spaces that were vacated as part of the 2020 Plan, included impairments of operating lease right-of-use assets and associated leasehold improvements, furniture and asset retirement obligations. Lease impairments were calculated based on estimated fair values using market participant assumptions including forecasted net discounted cash flows related to the operating lease right-of-use assets.

A summary of the restructuring activities related to the 2020 Plan is as follows:

	2020 Plan			
	Restructuring Expense	Non-Cash Items	Cash Payments	Liability at June 30, 2020
Severance and termination costs	$ 44.6	$ 0.7	$ 10.1	$ 33.8
Lease impairment costs	65.7	65.7	0.0	0.0
Other	2.3	1.2	1.1	0.0
Total	$ 112.6	$ 67.6	$ 11.2	$ 33.8

The resulting restructuring charges of $112.6 in the second quarter of 2020, to reduce our ongoing expenses such as occupancy expense and salaries and related expenses, reflects the breadth of our review. These actions reduce our global real estate footprint by approximately 5% or 500,000 square feet and, further, address selected levels of management and staffing with severance costs for 694 employees. Of the total charge in the second quarter, $67.6 or 60%, is non-cash, mainly representing the write-off of right-of-use assets of operating leases. We expect to realize approximately $80 to $90 of annualized cost savings associated with the actions taken during the second quarter of 2020.

(Amounts in Millions, Except Per Share Amounts)

As part of our continuing review, we also anticipate that we will take additional actions in the second half of this year, primarily related to further occupancy and salaries-related reductions. We are currently evaluating cost reduction actions for the remainder of 2020, which may result in additional charges between approximately $90 to $110. The additional charges should be primarily non-cash, although the amount and type of additional actions will be dependent on market conditions over the remainder of the year. Our restructuring actions are designed to structurally lower our cost base in the future.

2019 Restructuring Plan

In the first quarter of 2019, the Company implemented a cost initiative (the "2019 Plan") to better align our cost structure with our revenue primarily related to specific client losses occurring in 2018. All restructuring actions were identified and initiated by the end of the first quarter of 2019, with all actions substantially completed by the end of the second quarter of 2019 and there have not been any restructuring adjustments.

EXPENSES AND OTHER INCOME

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Cash interest on debt obligations	$ (48.5)	$ (49.4)	$ (91.9)	$ (95.0)
Non-cash interest	(1.3)	(2.2)	(2.7)	(6.4)
Interest expense	(49.8)	(51.6)	(94.6)	(101.4)
Interest income	5.9	7.7	16.6	15.5
Net interest expense	(43.9)	(43.9)	(78.0)	(85.9)
Other expense, net	(21.5)	(3.8)	(43.3)	(10.7)
Total (expenses) and other income	$ (65.4)	$ (47.7)	$ (121.3)	$ (96.6)

Other Expense, Net

Results of operations for the three and six months ended June 30, 2020 and 2019 include certain items that are not directly associated with our revenue-producing operations.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net losses on sales of businesses	$ (19.9)	$ (3.2)	$ (43.2)	$ (11.8)
Other	(1.6)	(0.6)	(0.1)	1.1
Total other expense, net	$ (21.5)	$ (3.8)	$ (43.3)	$ (10.7)

Net losses on sales of businesses – During the three and six months ended June 30, 2020, the amounts recognized were related to sales of businesses and the classification of certain assets and liabilities, consisting primarily of cash, as held for sale within our IAN and CMG reportable segments. During the three and six months ended June 30, 2019, the amounts recognized were related to sales of businesses and the classification of certain assets and liabilities, consisting primarily of accounts receivable and cash, as held for sale within our IAN reportable segment. The businesses held for sale primarily represent unprofitable, non-strategic agencies which are expected to be sold within the next twelve months.

Other – During the three and six months ended June 30, 2019, the amounts recognized were primarily related to a sale of an equity investment.

(Amounts in Millions, Except Per Share Amounts)

INCOME TAXES

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
(Loss) Income before income taxes	$ (24.9)	$ 216.5	$ (4.9)	$ 217.8
Provision for income taxes	$ 19.0	$ 43.6	$ 36.2	$ 54.1

Our tax rates are affected by many factors, including our worldwide earnings from various countries, changes in legislation and tax characteristics of our income. For the three months ended June 30, 2020, our income tax provision was negatively impacted by losses in certain foreign jurisdictions where we received no tax benefit due to 100% valuation allowances, by net losses on sales of businesses and the classification of certain assets as held for sale for which we received no tax benefit and by tax expense associated with the change to our assertion regarding the permanent reinvestment of undistributed earnings attributable to certain foreign subsidiaries.

For the six months ended June 30, 2020, our income tax provision was negatively impacted by the same factors noted for the three months ended June 30, 2020 in addition to net losses on sales of businesses and the classification of certain assets as held for sale, for which we received minimal tax benefit.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted and signed into law. The CARES Act includes several provisions for corporations including increasing the amount of deductible interest, allowing companies to carryback certain net operating losses ("NOLs") and increasing the amount of NOLs that corporations can use to offset income. The CARES Act did not materially affect our quarter or year-to-date income tax provision, deferred tax assets and liabilities, or related taxes payable. We are currently assessing the future implications of these provisions within the CARES Act on our Consolidated Financial Statements, but do not expect the impact to be material.

In the second quarter of 2020, in response to changes in non-US tax law, a decision was made to change our indefinite reinvestment assertion on a $110.0 of undistributed foreign earnings of specific subsidiaries. We recorded $10.0 of income tax costs associated with this change to our assertion.

For the three and six months ended June 30, 2019, our income tax provision was positively impacted by the settlement of state income tax audits, partially offset 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 tax benefit.

On July 29, 2020, the Internal Revenue Service notified the Company that the U.S. Federal income tax examination of years 2006 through 2016 has been finalized and effectively settled. As a result, we expect to recognize an income tax benefit of approximately $135.0 in the third quarter of 2020.

(LOSS) EARNINGS PER SHARE

Basic loss per share available to IPG common stockholders for the three and six months ended June 30, 2020 was $0.12 and $0.11, respectively, compared to earnings per share of $0.44 and $0.42 for the three and six months ended June 30, 2019, respectively. Diluted loss per share available to IPG common stockholders for the three and six months ended June 30, 2020 was $0.12 and $0.11, respectively, compared to diluted earnings per share of $0.43 and $0.41 for the three and six months ended June 30, 2019, respectively.

Basic and diluted loss per share for the three months ended June 30, 2020 included a negative impact of $0.05 from the amortization of acquired intangibles, a negative impact of $0.22 from restructuring charges, a negative impact of $0.05 from net losses on sales of businesses and the classification of certain assets as held for sale, and a negative impact of $0.03 from a discrete tax item.

Basic and diluted loss per share for the six months ended June 30, 2020 included a negative impact of $0.09 from the amortization of acquired intangibles, a negative impact of $0.22 from restructuring charges, a negative impact of $0.11 from net losses on sales of businesses and the classification of certain assets as held for sale, and a negative impact of $0.03 from a discrete tax item.

(Amounts in Millions, Except Per Share Amounts)

Basic and diluted earnings per share for the three months ended June 30, 2019 included a negative impact of $0.04 from the amortization of acquired intangibles, a negative impact of $0.02 from net losses on sales of businesses and the classification of certain assets as held for sale and a positive impact of $0.04 from a tax benefit related to the conclusion and settlement of tax examinations of previous years.

Basic and diluted earnings per share for the six months ended June 30, 2019 included a negative impact of $0.09 from the amortization of acquired intangibles, a negative impact of $0.06 from first-quarter restructuring charges, a negative impact of $0.04 from net losses on sales of businesses and the classification of certain assets as held for sale and a positive impact of $0.04 from a tax benefit related to the conclusion and settlement of tax examinations of previous years.

Segment Results of Operations – Three and Six Months Ended June 30, 2020 Compared to Three and Six Months Ended June 30, 2019

As discussed in Note 11 to the unaudited Consolidated Financial Statements, we have two reportable segments as of June 30, 2020: IAN and CMG. We also report results for the "Corporate and other" group. Segment information for the prior period has been recast to conform to the current-period presentation.

IAN

Net Revenue

		Components of Change				Change	
	Three months ended June 30, 2019	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three months ended June 30, 2020	Organic	Total
Consolidated	$ 1,801.1	$ (40.0)	$ (16.2)	$ (159.2)	$ 1,585.7	(8.8)%	(12.0)%
Domestic	1,127.0	0.0	(3.3)	(75.3)	1,048.4	(6.7)%	(7.0)%
International	674.1	(40.0)	(12.9)	(83.9)	537.3	(12.4)%	(20.3)%

The organic decrease during the second quarter of 2020 was mainly attributable to lower spending from existing clients, primarily related to the COVID-19 pandemic, and net client losses. The lower spending and net client losses were in the auto and transportation, financial services and consumer goods sectors, partially offset by net client wins and net higher spending from existing clients in the healthcare and retail sectors. The organic decrease during the second quarter of 2020 in our domestic market was primarily driven by the revenue declines at our digital specialist agencies and media businesses. In our international markets, the organic decrease was driven by the revenue declines at our advertising businesses, primarily in the United Kingdom and Asia Pacific regions, and media businesses, primarily in the Continental Europe.

		Components of Change				Change	
	Six months ended June 30, 2019	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Six months ended June 30, 2020	Organic	Total
Consolidated	$ 3,507.2	$ (58.6)	$ (33.6)	$ (164.8)	$ 3,250.2	(4.7)%	(7.3)%
Domestic	2,241.2	0.0	(7.3)	(73.6)	2,160.3	(3.3)%	(3.6)%
International	1,266.0	(58.6)	(26.3)	(91.2)	1,089.9	(7.2)%	(13.9)%

The organic decrease during the first half of 2020 was mainly attributable to lower spending from existing clients, primarily related to the COVID-19 pandemic and net client losses. The lower spending and net client losses were in the auto and transportation, government and consumer goods sectors, partially offset by net client wins and net higher spending from existing clients in the healthcare and retail sectors. The organic decrease during the first half of 2020 in our domestic market was primarily driven by the revenue declines at our digital specialist agencies and media businesses, partially offset by growth at our advertising businesses. In our international markets, the organic decrease was driven by the factors similar to those noted above for the second quarter of 2020.

(Amounts in Millions, Except Per Share Amounts)

Segment EBITA

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	Change	2020	2019	Change
Segment EBITA [1]	$ 100.4	$ 262.4	(61.7)%	$ 199.4	$ 378.4	(47.3)%
Segment EBITA margin on net revenue [1]	6.3%	14.6%		6.1%	10.8%	

1 Segment EBITA and Segment EBITA margin on net revenue include $68.8 of restructuring charges in the second quarter and first half of 2020 and $2.0 and $27.6 of restructuring charges in the second quarter and first half of 2019, respectively. See *"Restructuring Charges"* in this MD&A and Note 7 to the unaudited Consolidated Financial Statements for further information.

Segment EBITA margin decreased during the second quarter of 2020 when compared to the prior-year period, as the decrease in net revenue of 12.0% exceeded the overall decrease in the operating expenses, including restructuring charges and excluding billable expenses and amortization of acquired intangibles. The decrease in salaries and related expenses was primarily driven by reductions in base salaries, benefits and tax and lower temporary help expenses in response to the declines in net revenue, primarily due to the effects of the COVID-19 pandemic on economic conditions, in addition to lower incentive expense. The cumulative decreases were partially offset by increased severance expense. The decrease in office and other direct expenses was primarily driven by decreases in travel and entertainment expenses and new business and promotion expenses as well as lower occupancy expense, partially offset by an increase in bad debt expense and a year-over-year change in contingent acquisition obligations. During the second quarter of 2020, segment EBITA included restructuring charges of $68.8 compared to restructuring charges of $2.0 during the second quarter of 2019.

Segment EBITA margin decreased during the first half of 2020 when compared to the prior-year period, as the decrease in net revenue of 7.3% exceeded the overall decrease in the operating expenses, including restructuring charges and excluding billable expenses and amortization of acquired intangibles. The decrease in salaries and related expenses and office and other direct expenses were mainly due to factors similar to those noted above for the second quarter of 2020 as well as a reduction in professional consulting fees. During the first half of 2020, segment EBITA included restructuring charges of $68.8, compared to restructuring charges of $27.6 during the first half of 2019.

Depreciation and amortization, excluding amortization of acquired intangibles, as a percentage of net revenue was 2.9% and 2.8% during the second quarter and first half of 2020, respectively, which increased compared to the prior-year period.

CMG

Net Revenue

		Components of Change				Change	
	Three months ended June 30, 2019	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three months ended June 30, 2020	Organic	Total
Consolidated	$ 324.8	$ (4.8)	$ (1.6)	$ (50.7)	$ 267.7	(15.6)%	(17.6)%
Domestic	210.7	0.0	(0.8)	(31.1)	178.8	(14.8)%	(15.1)%
International	114.1	(4.8)	(0.8)	(19.6)	88.9	(17.2)%	(22.1)%

The organic decrease during the second quarter of 2020 was mainly attributable to lower spending from existing clients, primarily related to the COVID-19 pandemic. The lower spending was in the auto and transportation and technology and telecom sectors. The organic decrease during the second quarter of 2020 in our domestic market was primarily driven by the revenue declines at our sports and event marketing businesses, primarily due to sports and events cancellations. In our international markets, the organic decrease was driven by the revenue declines at our public relations agencies, primarily in the Asia Pacific region.

(Amounts in Millions, Except Per Share Amounts)

		Components of Change				Change	
	Six months ended June 30, 2019	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Six months ended June 30, 2020	Organic	Total
Consolidated	$ 623.5	$ (6.8)	$ (1.7)	$ (39.7)	$ 575.3	(6.4)%	(7.7)%
Domestic	410.6	0.0	(0.8)	(22.9)	386.9	(5.6)%	(5.8)%
International	212.9	(6.8)	(0.9)	(16.8)	188.4	(7.9)%	(11.5)%

The organic decrease during the first half of 2020 was mainly attributable to lower spending from existing clients, primarily related to the COVID-19 pandemic. The lower spending was in the auto and transportation and technology and telecom sectors, partially offset by a combination of net client wins and net higher spending from existing clients in the healthcare sector. The organic decreases during the first half of 2020 in our domestic and international market were primarily driven by the factors similar to those noted above for the second quarter of 2020.

Segment EBITA

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	Change	2020	2019	Change
Segment EBITA [1]	$ (26.3)	$ 42.9	>(100)%	$ (4.0)	$ 43.3	>(100)%
Segment EBITA margin on net revenue [1]	(9.8)%	13.2%		(0.7)%	6.9%	

1 Segment EBITA and Segment EBITA margin on net revenue include $36.7 of restructuring charges in the second quarter and first half of 2020 and $5.6 of restructuring charges in the first half of 2019. See *"Restructuring Charges"* in this MD&A and Note 7 to the unaudited Consolidated Financial Statements for further information.

Segment EBITA margin decreased during the second quarter of 2020 when compared to the prior-year period, as net revenue decreased 17.6% while operating expenses, including restructuring charges and excluding billable expenses and amortization of acquired intangibles, increased. The decrease in salaries and related expenses was primarily driven by reductions in base salaries, benefits and tax and lower temporary help expenses in response to the declines in net revenue, primarily due to the impact of the COVID-19 on economic conditions, in addition to lower incentive expense. The cumulative decreases were partially offset by increased severance expense. The decrease in office and other direct expenses was primarily driven by decreases in travel and entertainment expenses and new business and promotion expenses as well as lower occupancy expense, partially offset by a year-over-year change in contingent acquisition obligations. During the second quarter of 2020, segment EBITA included restructuring charges of $36.7.

Segment EBITA margin decreased during the first half of 2020 when compared to the prior-year period, as net revenue decreased 17.6% while operating expenses, including restructuring charges and excluding billable expenses and amortization of acquired intangibles, relatively remained flat. The decreases in salaries and related expenses and office and other direct expenses were mainly due to factors similar to those noted above for the second quarter of 2020. During the first half of 2020, segment EBITA included restructuring charges of $36.7 compared to the restructuring charges of $5.6 during the first half of 2019.

Depreciation and amortization, excluding amortization of acquired intangibles, as a percentage of net revenue slightly increased during the second quarter and first half of 2020 as compared to the prior-year period.

CORPORATE AND OTHER

Corporate and other is primarily comprised of selling, general and administrative expenses including corporate office expenses as well as shared service center and certain other centrally managed expenses that are not fully allocated to operating divisions; salaries, long-term incentives, annual bonuses and other miscellaneous benefits for corporate office employees; professional fees related to internal control compliance, financial statement audits and legal, information technology and other consulting services that are engaged and managed through the corporate office; and rental expense for properties occupied by corporate office employees. A portion of centrally managed expenses is allocated to operating divisions based on a formula that uses the planned revenues of each of the operating units. Amounts allocated also include specific charges for information technology-related projects, which are allocated based on utilization.

Corporate and other expenses decreased by $8.0 to $11.8 during the second quarter of 2020 and by $28.5 to $35.9 during the first half of 2020 compared to the prior-year period, primarily attributable to a decrease in employee insurance expense, resulting from fewer insurance claims with elective procedures and routine care being delayed in 2020 as well as a decrease in travel and entertainment expenses. During the second quarter and first half of 2020, Corporate and other expense includes $7.1 of restructuring charges, and during the first half of 2019, Corporate and other expense includes $0.7 of restructuring charges.

(Amounts in Millions, Except Per Share Amounts)

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW OVERVIEW

The following tables summarize key financial data relating to our liquidity, capital resources and uses of capital.

	Six months ended June 30,	
Cash Flow Data	**2020**	**2019**
Net (loss) income, adjusted to reconcile to net cash used in operating activities [1]	$ 286.4	$ 382.3
Net cash used in working capital [2]	(636.5)	(113.1)
Changes in other assets and liabilities using cash	(14.1)	(70.2)
Net cash (used in) provided by operating activities	$ (364.2)	$ 199.0
Net cash used in investing activities	(93.3)	(77.9)
Net cash provided by (used in) financing activities	377.7	(191.7)

1 Reflects net (loss) income adjusted primarily for depreciation and amortization of fixed assets and intangible assets, provision for uncollectible receivables, amortization of restricted stock and other non-cash compensation, net losses on sales of businesses, non-cash restructuring charges and deferred income taxes.

2 Reflects changes in accounts receivable, other current assets, accounts payable, accrued liabilities and contract liabilities.

Operating Activities

Due to the seasonality of our business, we typically use cash from working capital in the first nine months of a year, with the largest impact in the first quarter, and generate cash from working capital in the fourth quarter, driven by the seasonally strong media spending by our clients. Quarterly and annual working capital results are impacted by the fluctuating annual media spending budgets of our clients as well as their changing media spending patterns throughout each year across various countries.

The timing of media buying on behalf of our clients across various countries affects our working capital and operating cash flow and can be volatile. In most of our businesses, our agencies enter into commitments to pay production and media costs on behalf of clients. To the extent possible, we pay production and media charges after we have received funds from our clients. The amounts involved, which substantially exceed our revenues, primarily affect the level of accounts receivable, accounts payable, accrued liabilities and contract liabilities. Our assets include both cash received and accounts receivable from clients for these pass-through arrangements, while our liabilities include amounts owed on behalf of clients to media and production suppliers. Our accrued liabilities are also affected by the timing of certain other payments. For example, while annual cash incentive awards are accrued throughout the year, they are generally paid during the first quarter of the subsequent year.

Net cash used in operating activities during the first half of 2020 was $364.2, which was an increase of $563.2 as compared to the first half of 2019, primarily as a result of an increase in working capital usage of $523.4. Working capital was impacted by the spending levels of our clients and was primarily attributable to our media business.

Investing Activities

Net cash used in investing activities during the first half of 2020 was $93.3, which was an increase of $15.4 as compared to the first half of 2019, primarily due to an increase in cash sold from dispositions during the first half of 2020, partially offset by a decrease in capital expenditures, which consisted primarily of decreases in computer hardware and lease-related costs. The payments for capital expenditures were $71.9 and $80.1 in the first half of 2020 and 2019, respectively.

Financing Activities

Net cash provided by financing activities during the first half of 2020 was driven by the net proceeds of $646.2 from the issuance of our 4.75% Senior Notes, partially offset by the payment of common stock dividends of $199.2.

Foreign Exchange Rate Changes

The effect of foreign exchange rate changes on cash, cash equivalents and restricted cash included in the unaudited Consolidated Statements of Cash Flows resulted in a net decrease of $28.9 during the first half of 2020. The decrease was primarily a result of the U.S. Dollar being stronger than several foreign currencies, including the South African Rand, Mexican Peso, Indian Rupee, Brazilian Real, Chilean Peso, and Canadian Dollar as of June 30, 2020 as compared to December 31, 2019.

LIQUIDITY OUTLOOK

We expect our cash flow from operations and existing cash and cash equivalents to be sufficient to meet our anticipated operating requirements at a minimum for the next twelve months. We also have a commercial paper program, a committed corporate credit facility, a 364-day credit facility and uncommitted lines of credit to support our operating needs. Borrowings under our commercial paper program are supported by our committed corporate credit agreement. We continue to maintain a disciplined approach to managing liquidity, with flexibility over significant uses of cash, including our capital expenditures, cash used for new acquisitions, our common stock repurchase program and our common stock dividends.

From time to time, we evaluate market conditions and financing alternatives for opportunities to raise additional funds or otherwise improve our liquidity profile, enhance our financial flexibility and manage market risk. Our ability to access the capital markets depends on a number of factors, which include those specific to us, such as our credit ratings, and those related to the financial markets, such as the amount or terms of available credit. Particularly in light of the current market conditions, there can be no guarantee that we would be able to access new sources of liquidity, or continue to access existing sources of liquidity, on commercially reasonable terms, or at all.

Funding Requirements

Our most significant funding requirements include our operations, non-cancelable operating lease obligations, capital expenditures, acquisitions, common stock dividends, taxes, and debt service. Additionally, we may be required to make payments to minority shareholders in certain subsidiaries if they exercise their options to sell us their equity interests.

Notable funding requirements include:

- Debt service – Our 3.50% Senior Notes in aggregate principal amount of $500.0 mature on October 1, 2020. We expect to use available cash, which may include cash proceeds from the offering of our 4.75% Senior Notes as well as credit available under our commercial paper and short-term debt lines as needed to fund the principal repayment. As of June 30, 2020, we had outstanding short-term borrowings of $51.9 primarily from our uncommitted lines of credit used primarily to fund short-term working capital needs. The remainder of our debt is primarily long-term, with maturities scheduled from 2021 through 2048. On March 30, 2020, we issued $650.0 in aggregate principal amount of our 4.75% Senior Notes.
- Acquisitions – We paid cash of $2.5, net of cash acquired of $2.5, for acquisitions completed in the first half of 2020. We also paid deferred payments of $34.8 for prior acquisitions. In addition to potential cash expenditures for new acquisitions, we expect to pay approximately $53.0 over the next twelve months related to prior acquisitions. We may also be required to pay approximately $29.0 related to put options held by minority shareholders, if exercised, over the next twelve months. We will continue to evaluate strategic opportunities to grow and continue to strengthen our market position, particularly in our digital and marketing services offerings, and to expand our presence in high-growth and key strategic world markets.
- Dividends – In the first half of 2020, we paid a quarterly cash dividend of $0.255 per share on our common stock, which corresponded to an aggregate dividend payment of $199.2. Assuming we continue to pay a quarterly dividend of $0.255 per share, and there is no significant change in the number of outstanding shares as of June 30, 2020, we would expect to pay approximately $397.0 over the next twelve months. Whether to declare and the amount of any such future dividend is at the discretion of our Board of Directors and will depend upon factors such as our earnings, financial position and cash requirements.
- Restructuring – In the first half of 2020, we paid cash of $11.2 for restructuring costs related to our 2020 Plan designed to lower our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business. As of June 30, 2020, our remaining liability related to restructuring actions was $33.8. Most of our restructuring actions are based on our recent experience and learning in the COVID-19 pandemic and a resulting review of our operations, which continues, to address certain operating expenses such as occupancy expense and salaries and related expenses.

Share Repurchase Program

On July 2, 2018, in connection with the announcement of the Acxiom acquisition, we announced that share repurchases will be suspended for a period of time in order to reduce the increased debt levels incurred in conjunction with the acquisition. As of June 30, 2020, $338.4, excluding fees, remains available for repurchase under the share repurchase programs authorized in previous years, which have no expiration date.

FINANCING AND SOURCES OF FUNDS

Substantially all of our operating cash flow is generated by our agencies. Our cash balances are held in numerous jurisdictions throughout the world, including at the holding company level. Below is a summary of our sources of liquidity.

Credit Arrangements

We maintain a committed corporate credit facility, originally dated as of July 18, 2008, which has been amended and restated from time to time (the “Credit Agreement”). We use our Credit Agreement to increase our financial flexibility, to provide letters of credit primarily to support obligations of our subsidiaries and to support our commercial paper program. The Credit Agreement is a revolving facility, expiring in November 2024, under which amounts borrowed by us or any of our subsidiaries designated under the Credit Agreement may be repaid and reborrowed, subject to an aggregate lending limit of $1,500.0, or the equivalent in other currencies. The Company has the ability to increase the commitments under the Credit Agreement from time to time by an additional amount of up to $250.0, provided the Company receives commitments for such increases and satisfies certain other conditions. The aggregate available amount of letters of credit outstanding may decrease or increase, subject to a sublimit of $50.0, or the equivalent in other currencies. Our obligations under the Credit Agreement are unsecured. As of June 30, 2020, there were no borrowings under the Credit Agreement; however, we had $8.3 of letters of credit under the Credit Agreement, which reduced our total availability to $1,491.7.

On March 27, 2020, we entered into an agreement for a 364-day revolving credit facility (the “364-Day Credit Facility”) that matures on March 26, 2021. The 364-Day Credit Facility is a revolving facility, under which amounts borrowed by us may be repaid and reborrowed, subject to an aggregate lending limit of $500.0. The cost structure of the 364-Day Credit Agreement is based on our current credit ratings. The applicable margin for Base Rate Advances (as defined in the 364-Day Credit Facility) is 0.250%, the applicable margin for Eurodollar Rate Advances (as defined in the 364-Day Credit Facility) is 1.250%, and the facility fee payable on a lender’s revolving commitment is 0.250%. In addition, the 364-Day Credit Facility includes covenants that, among other things, (i) limit our liens and the liens of our consolidated subsidiaries, and (ii) limit subsidiary debt. The 364-Day Credit Facility also contains a financial covenant that requires us to maintain, on a consolidated basis as of the end of each fiscal quarter, a leverage ratio for the four quarters then ended. The leverage ratio and other covenants set forth in the 364-Day Credit Facility are identical to the covenants contained in the Company’s existing Credit Agreement, which remains in full effect. As of June 30, 2020, there were no borrowings under the 364-Day Credit Facility.

We were in compliance with all of our covenants in both the Credit Agreement and the 364-Day Credit Facility as of June 30, 2020. The financial covenant in the Credit Agreement and the 364-Day Credit Facility requires that we maintain, as of the end of each fiscal quarter, a certain leverage ratio for the four quarters then ended. The table below sets forth the financial covenant in effect as of June 30, 2020.

(Amounts in Millions, Except Per Share Amounts)

Financial Covenant	Four Quarters Ended June 30, 2020	Credit Agreement EBITDA Reconciliation	Four Quarters Ended June 30, 2020
Leverage ratio (not greater than) [1]	3.75x	Net income available to IPG common stockholders	$ 453.6
Actual leverage ratio	3.01x	Non-operating adjustments [2]	434.4
		Operating income	888.0
		Add:	
		Depreciation and amortization	376.3
		Other non-cash charges reducing operating income	53.9
		Credit Agreement EBITDA [1]	$ 1,318.2

1 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.

2 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.

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. See Note 15 to the unaudited Consolidated Financial Statements for further information on the Amendments.

Uncommitted Lines of Credit

We also have uncommitted lines of credit with various banks that permit borrowings at variable interest rates and that are primarily used to fund working capital needs. We have guaranteed the repayment of some of these borrowings made by certain subsidiaries. If we lose access to these credit lines, we would have to provide funding directly to some of our operations. As of June 30, 2020, the Company had uncommitted lines of credit in an aggregate amount of $928.4, under which we had outstanding borrowings of $51.9 classified as short-term borrowings on our Consolidated Balance Sheet. The average amount outstanding during the second quarter of 2020 was $76.4, with a weighted-average interest rate of approximately 3.7%.

Commercial Paper

The Company is authorized to issue unsecured commercial paper up to a maximum aggregate amount outstanding at any time of $1,500.0. Borrowings under the program are supported by the Credit Agreement described above. Proceeds of the commercial paper are used for working capital and general corporate purposes, including the repayment of maturing indebtedness and other short-term liquidity needs. The maturities of the commercial paper vary but may not exceed 397 days from the date of issue. As of June 30, 2020, there was no commercial paper outstanding classified as short-term borrowings on our Consolidated Balance Sheet. The average amount outstanding under the program during the second quarter of 2020 was $365.7, with a weighted-average interest rate of 1.3% and a weighted-average maturity of twelve days.

Cash Pooling

We aggregate our domestic cash position on a daily basis. Outside the United States, we use cash pooling arrangements with banks to help manage our liquidity requirements. In these pooling arrangements, several IPG agencies agree with a single bank that the cash balances of any of the agencies with the bank will be subject to a full right of set-off against amounts other agencies owe the bank, and the bank provides for overdrafts as long as the net balance for all agencies does not exceed an agreed-upon level. Typically, each agency pays interest on outstanding overdrafts and receives interest on cash balances. Our unaudited Consolidated Balance Sheets reflect cash, net of bank overdrafts, under all of our pooling arrangements, and as of June 30, 2020, the amount netted was $2,537.5.

(Amounts in Millions, Except Per Share Amounts)

DEBT CREDIT RATINGS

Our debt credit ratings as of July 15, 2020, are listed below.

	Moody's Investors Service	S&P Global Ratings	Fitch Ratings
Short-term rating	P-2	A-2	F2
Long-term rating	Baa2	BBB	BBB+
Outlook	Negative	Negative	Negative

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning credit rating agency. The rating of each credit rating agency should be evaluated independently of any other rating. Credit ratings could have an impact on liquidity, either adverse or favorable, because, among other things, they could affect funding costs in the capital markets or otherwise. For example, our Credit Agreement fees and borrowing rates are based on a credit ratings grid, and our access to the commercial paper market is contingent on our maintenance of sufficient short-term debt ratings.

CRITICAL ACCOUNTING ESTIMATES

Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2019, included in our 2019 Annual Report. As summarized in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, in our 2019 Annual Report, we believe that certain of these policies are critical because they are important to the presentation of our financial condition and results of operations, and they require management's most difficult, subjective or complex judgments, often as a result of the need to estimate the effect of matters that are inherently uncertain. These critical estimates relate to revenue recognition, income taxes, goodwill and other intangible assets, and pension and postretirement benefits. We base our estimates on historical experience and various other factors that we believe to be relevant under the circumstances. Estimation methodologies are applied consistently from year to year, and there have been no significant changes in the application of critical accounting estimates since December 31, 2019, other than as noted below. Actual results may differ from these estimates under different assumptions or conditions.

Goodwill

We review goodwill for impairment annually as of October 1st each year, or whenever events or significant changes in circumstances indicate that the carrying value may not be recoverable. We evaluate the recoverability of goodwill at a reporting unit level.

During the second quarter of 2020, recent economic developments related to the COVID-19 pandemic contributed to declines in our most recent forecasted financial results. We evaluated our reporting units including the impact of these declines, restructuring actions taken in the second quarter of 2020 and other reporting unit specific factors, and concluded that these factors constituted a goodwill triggering event for one reporting unit, requiring us to evaluate its goodwill for impairment. The fair value of the reporting unit for which we performed the quantitative interim impairment test was estimated using a combination of the income approach, which incorporates the use of the discounted cash flow method, and the market approach, which incorporates the use of earnings and revenue multiples based on market data. We generally applied an equal weighting to the income and market approaches for our analysis. For the income approach, we used projections, which require the use of significant estimates and assumptions specific to the reporting unit as well as those based on general economic conditions. Factors specific to the reporting unit include revenue growth, profit margins, terminal value growth rates, capital expenditures projections, assumed tax rates, discount rates and other assumptions deemed reasonable by management. For the market approach, we used judgment in identifying the relevant comparable-company market multiples.

The discount rate used for the reporting unit is influenced by general market conditions as well as factors specific to the reporting unit. For the interim impairment test of goodwill, the discount rate we used for our reporting unit tested was 13.0%, and the terminal value growth rate was 3.0%. The terminal value growth rate represents the expected long-term growth rate for our industry, which incorporates the type of services each reporting unit provides as well as the global economy. The revenue growth rates utilized in the interim impairment test for our reporting unit were between 6.0% and 8.0%. Factors influencing the revenue growth rates include the nature of the services the reporting unit provides for its clients, the geographic locations in which the reporting unit conducts business and the maturity of the reporting unit. We believe that the estimates and assumptions we made are reasonable, but they are susceptible to change from period to period. Actual results of operations, cash flows and other factors will likely differ from the estimates used in our valuation, and it is possible that differences and changes could be material. A deterioration in profitability, adverse market conditions, significant client losses, changes in spending levels of our existing clients or a different economic outlook than currently estimated by management could have a significant impact on the estimated fair value of our reporting unit and could result in an impairment charge in the future.

(Amounts in Millions, Except Per Share Amounts)

We also performed a sensitivity analysis to detail the impact that changes in assumptions may have on the outcome of the first step of the impairment test. Our sensitivity analysis provides a range of fair value for the reporting unit, where the low end of the range increases discount rates by 0.5%, and the high end of the range decreases discount rates by 0.5%. We use the average of our fair values for purposes of our comparison between carrying value and fair value for the quantitative impairment test.

The table below displays the midpoint of the fair value range for the reporting unit tested in the interim impairment test, indicating that the fair value exceeded the carrying value for the reporting unit by greater than 10%.

	Q2 2020 Interim Impairment Test	
Reporting Unit	**Goodwill as of 6/30/2020**	**Fair value exceeds carrying value by:**
A	$ 209.1	> 10%

Based on the analysis described above, for the reporting unit for which we performed the quantitative interim impairment test of goodwill, we concluded that our goodwill was not impaired as of June 30, 2020, because the fair value of the reporting unit was in excess of its net book value.

The impact of COVID-19 on our forecasts also remains uncertain and increases the subjectivity that will be involved in evaluating our goodwill for potential impairments going forward. If the future were to differ adversely from these assumptions, the estimated fair value may decline and result in non-cash charges against our earnings.

We also considered the potential for goodwill impairment of our other reporting units. Our review of our other reporting units did not indicate an impairment triggering event as of June 30, 2020.

RECENT ACCOUNTING STANDARDS

See Note 14 to the unaudited Consolidated Financial Statements for further information on certain accounting standards that have been recently adopted or that have not yet been required to be implemented and may be applicable to our future operations.

NON-GAAP FINANCIAL MEASURE

This MD&A includes both financial measures in accordance with U.S. GAAP, as well as a non-GAAP financial measure. The non-GAAP financial measure represents Net Income Available to IPG Common Stockholders before Provision for Income Taxes, Total (Expenses) and Other Income, Equity in Net Loss of Unconsolidated Affiliates, Net Loss Attributable to Noncontrolling Interests and Amortization of Acquired Intangibles, which we refer to as "Adjusted EBITA".

Adjusted EBITA should be viewed as supplemental to, and not as an alternative for Net (Loss) Income Available to IPG Common Stockholders calculated in accordance with U.S. GAAP ("net income") or operating income calculated in accordance with U.S. GAAP ("operating income"). This section also includes reconciliation of this non-GAAP financial measure to the most directly comparable U.S. GAAP financial measures, as presented below.

Adjusted EBITA is used by our management as an additional measure of our Company's performance for purposes of business decision-making, including developing budgets, managing expenditures, and evaluating potential acquisitions or divestitures. Period-to-period comparisons of Adjusted EBITA help our management identify additional trends in our Company's financial results that may not be shown solely by period-to-period comparisons of net income or operating income. In addition, we use Adjusted EBITA in the incentive compensation programs applicable to some of our employees in order to evaluate our Company's performance. Our management recognizes that Adjusted EBITA has inherent limitations because of the excluded items, particularly those items that are recurring in nature. Management also reviews operating income and net income as well as the specific items that are excluded from Adjusted EBITA, but included in net income or operating income, as well as trends in those items. The amounts of those items are set forth, for the applicable periods, in the reconciliation of Adjusted EBITA to net income that accompany our disclosure documents containing non-GAAP financial measures, including the reconciliations contained in this MD&A.

We believe that the presentation of Adjusted EBITA is useful to investors in their analysis of our results for reasons similar to the reasons why our management finds it useful and because it helps facilitate investor understanding of decisions made by management in light of the performance metrics used in making those decisions. In addition, as more fully described below, we believe that providing Adjusted EBITA, together with a reconciliation of this non-GAAP financial measure to net income, helps investors make comparisons between our Company and other companies that may have different capital structures, different effective income tax rates and tax attributes, different capitalized asset values and/or different forms of employee compensation. However, Adjusted EBITA is intended to provide a supplemental way of comparing our Company with other public companies and is not intended as a substitute for comparisons based on net income or operating income. In making any comparisons to other companies, investors need to be aware that companies may use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measures and the corresponding U.S. GAAP measures provided by each company under the applicable rules of the SEC.

The following is an explanation of the items excluded by us from Adjusted EBITA but included in net loss:

- ***Total (Expense) and Other Income, Provision for Income Taxes, Equity in Net Loss of Unconsolidated Affiliates and Net Loss Attributable to Noncontrolling Interests.*** We exclude these items (i) because these items are not directly attributable to the performance of our business operations and, accordingly, their exclusion assists management and investors in making period-to-period comparisons of operating performance and (ii) to assist management and investors in making comparisons to companies with different capital structures. Investors should note that these items will recur in future periods.

- ***Amortization of Acquired Intangibles***. Amortization of acquired intangibles is a non-cash expense relating to intangible assets arising from acquisitions that are expensed on a straight-line basis over the estimated useful life of the related assets. We exclude amortization of acquired intangibles because we believe that (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and (ii) such expenses can vary significantly between periods as a result of new acquisitions and full amortization of previously acquired intangible assets. Accordingly, we believe that this exclusion assists management and investors in making period-to-period comparisons of operating performance. Investors should note that the use of intangible assets contributed to revenue in the periods presented and will contribute to future revenue generation and should also note that such expense may recur in future periods.

(Amounts in Millions, Except Per Share Amounts)

The following table presents the reconciliation of Net (Loss) Income Available to IPG Common Stockholders to Adjusted EBITA for the second quarter and first half of 2020 and 2019.

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Net Revenue	**$ 1,853.4**	**$ 2,125.9**	**$ 3,825.5**	**$ 4,130.7**
Adjusted EBITA Reconciliation:				
Net (Loss) Income Available to IPG Common Stockholders [1]	**$ (45.6)**	**$ 169.5**	**$ (40.9)**	**$ 161.5**
Add Back:				
Provision for income taxes	19.0	43.6	36.2	54.1
Subtract:				
Total (expenses) and other income	(65.4)	(47.7)	(121.3)	(96.6)
Equity in net loss of unconsolidated affiliates	0.0	(0.1)	(0.2)	(0.4)
Net (income) loss attributable to noncontrolling interests	(1.7)	(3.3)	0.4	(1.8)
Operating Income [1]	**40.5**	**264.2**	**116.4**	**314.4**
Add Back:				
Amortization of acquired intangibles	21.8	21.3	43.1	42.9
Adjusted EBITA [1]	**$ 62.3**	**$ 285.5**	**$ 159.5**	**$ 357.3**
Adjusted EBITA Margin on Net Revenue [1]	***3.4%***	***13.4%***	***4.2%***	***8.6%***

1 Calculations include restructuring charges of $112.6 for the three and six months ended June 30, 2020 and $2.1 and $33.9 for the three and six months ended June 30, 2019, respectively. See *“Restructuring Charges”* in this MD&A and Note 7 to the Consolidated Financial Statements for further information.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

In the normal course of business, we are exposed to market risks related to interest rates, foreign currency rates and certain balance sheet items. From time to time, we use derivative instruments, pursuant to established guidelines and policies, to manage some portion of these risks. Derivative instruments utilized in our hedging activities are viewed as risk management tools and are not used for trading or speculative purposes. There has been no significant change in our exposure to market risk during the second quarter of 2020. Our exposure to market risk for changes in interest rates primarily relates to the fair market value and cash flows of our debt obligations. As of June 30, 2020, and December 31, 2019, approximately 98% and 97%, respectively, of our debt obligations bore fixed interest rates. For further discussion of our exposure to market risk, refer to Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*, in our 2019 Annual Report.

Item 4. *Controls and Procedures*

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2020, the Company’s disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Changes in Internal Control Over Financial Reporting

There has been no change in internal control over financial reporting in the quarter ended June 30, 2020, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. ***Legal Proceedings***

Information about our legal proceedings is set forth in Note 13 to the unaudited Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 1A. ***Risk Factors***

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Item 1A, *Risk Factors*, in our 2019 Annual Report, on Form 10-K (the "2019 Annual Report") which could materially affect our business, financial condition or future results. The risks described in our 2019 Annual Report are not the only risks facing the Company. For example, these risks now include the impacts from the novel coronavirus ("COVID-19") outbreak on the Company's business, financial condition and results of operations. Additional risks and uncertainties not currently known to the Company or that it currently deems to be immaterial also may materially adversely affect the Company's business, financial condition and/or operating results. The risk factors included in our 2019 Annual Report should be read in conjunction with the updated risks described below.

- ***The COVID-19 outbreak has adversely impacted our business, financial condition and results of operations, and the extent of the continuing impact is highly uncertain and cannot be predicted.***

The global spread of COVID-19 has created significant worldwide operational volatility, uncertainty and disruption. The COVID-19 pandemic has adversely impacted our business, financial condition and results of operations, and the extent of the continuing impact will depend on numerous evolving factors, which are highly uncertain, rapidly changing and cannot be predicted, including:

- the duration, severity and scope of the outbreak;
- governmental, business and individual actions that have been and continue to be taken in response to the outbreak, including travel restrictions, quarantines, social distancing, work-at-home, stay-at-home and shelter-in-place orders and shut-downs;
- the impact of the outbreak on the financial markets and economic activity generally;
- the effect of the outbreak on our clients and other business partners;
- our ability to access usual sources of liquidity on reasonable terms;
- our ability to comply with the financial covenant in our Credit Agreement if the material economic downturn results in increased indebtedness or substantially lower EBITDA;
- potential goodwill or impairment charges;
- our ability to achieve the benefits of the 2020 restructuring plan and other cost-saving initiatives;
- increased cybersecurity risks as a result of remote working conditions;
- our ability during the outbreak to provide our services, including the health and wellbeing of our employees; and
- the ability of our clients to pay for our services during and following the outbreak.

The COVID-19 outbreak has significantly increased financial and economic volatility and uncertainty. The continued downturn in the economy has had, and we expect will continue to have, a negative impact on many of our clients. Some clients have responded to the current economic and financial conditions by reducing their marketing budgets, thereby decreasing the market and demand for our services. In addition, many businesses have adjusted, reduced or suspended operating activities, which has negatively impacted the markets we serve. All of the foregoing has impacted, and will likely continue to impact, our business, financial condition, results of operations and forward-looking expectations.

Furthermore, modified processes, procedures and controls have been required to respond to the changes in our business environment, as the vast majority of our employees have continued to work from home and many onsite locations remain closed. The significant increase in remote working of our employees may exacerbate certain risks to our business, including the increased demand for information technology resources, increased risk of malicious technology-related events, such as cyberattacks and phishing attacks, and increased risk of improper dissemination of personal, proprietary or confidential information.

The potential effects of COVID-19 could also heighten the risks disclosed in many of our risk factors that are included in Part I, Item 1A, *Risk Factors*, in our 2019 Annual Report, including as a result of, but not limited to, the factors described above. Because the COVID-19 situation is unprecedented, complex and continually evolving, the other potential impacts to our risk factors that are described in our 2019 Annual Report are uncertain. See Item 1A, *Risk Factors*, in our 2019 Annual Report.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

(c) The following table provides information regarding our purchases of our equity securities during the period from April 1, 2020 to June 30, 2020:

	Total Number of Shares (or Units) Purchased [1]		Average Price Paid per Share (or Unit) [2]	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs [3]		Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs [3]
April 1 - 30	25,573	$	17.40	—	$	338,421,933
May 1 - 31	9,558	$	16.90	—	$	338,421,933
June 1 - 30	3,253	$	16.81	—	$	338,421,933
Total	38,384	$	17.22	—		

1 The total number of shares of our common stock, par value $0.10 per share, purchased were withheld under the terms of grants under employee stock-based compensation plans to offset tax withholding obligations that arose upon vesting and release of restricted shares (the “Withheld Shares”).

2 The average price per share for each of the months in the fiscal quarter and for the three-month period was calculated by dividing (a) the sum for the applicable period of the aggregate value of the tax withholding obligations by (b) the sum of the number of Withheld Shares.

3 In February 2017, the Company's Board of Directors (the “Board”) authorized a share repurchase program to repurchase from time to time up to $300.0 million, excluding fees, of our common stock (the “2017 Share Repurchase Program”). In February 2018, the Board authorized a share repurchase program to repurchase from time to time up to $300.0 million, excluding fees, of our common stock, which was in addition to any amounts remaining under the 2017 Share Repurchase Program. On July 2, 2018, in connection with the announcement of the Acxiom acquisition, we announced that share repurchases will be suspended for a period of time in order to reduce the increased debt levels incurred in conjunction with the acquisition, and no shares were repurchased pursuant to the share repurchase programs in the periods reflected. There are no expiration dates associated with the share repurchase programs.

Item 5. ***Other Information***

On July 28, 2020, we entered into Amendment No. 1 to the Amended and Restated Credit Agreement, dated as of November 1, 2019, among the Company, the lenders and agents named therein and Citibank, N.A., as administrative agent (the “Credit Agreement”), and Amendment No. 1 to the 364-Day Credit Facility, dated as of March 27, 2020, among the Company, the lenders and agents named therein and Citibank, N.A., as administrative agent (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. Amendment No. 1 to the Credit Agreement also increased the Applicable Margin (as defined in the Credit Agreement) for any borrowings we make under the Credit Agreement if our long-term public debt ratings are BB+/Ba1 or below at the time of borrowing. We have the option to terminate Amendment No. 1 to the Credit Agreement at any time, provided that at the time we deliver a termination notice the leverage ratio as of the end of the most recently ended fiscal quarter did not exceed 3.50x. The Credit Agreement reverts to its original terms on June 30, 2021, or following any such early termination, whichever is earlier. We paid amendment fees of $2.0 million in connection with the Amendments.

Item 6. ***Exhibits***

All exhibits required pursuant to Item 601 of Regulation S-K to be filed as part of this report or incorporated herein by reference to other documents, are listed in the Index to Exhibits below.

INDEX TO EXHIBITS

Exhibit No.	Description
10.1	Employment Agreement, made as of January 1, 2020, entered into on July 29, 2020, between the Company and Ellen Johnson.
10.2	Amendment No. 1, dated as of July 28, 2020, to the Amended and Restated Credit Agreement, dated as of November 1, 2019, among the Company, the lenders and agents named therein and Citibank, N.A., as administrative agent.
10.3	Amendment No. 1, dated as of July 28, 2020, to the 364-Day Credit Facility, dated as of March 27, 2020, among the Company, the lenders and agents named therein and Citibank, N.A., as administrative agent.
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
32	Certification of the Chief Executive Officer and the Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350 and Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended.
101	Interactive Data File, for the period ended June 30, 2020. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
104	Cover Page Interactive Data File. The cover page XBRL tags are embedded within the inline XBRL document and are included in Exhibit 101.

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 thereunto duly authorized.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By /s/ *Michael I. Roth*

Michael I. Roth
Chairman and Chief Executive Officer

Date: July 31, 2020

By /s/ *Christopher F. Carroll*

Christopher F. Carroll
Senior Vice President, Controller and
Chief Accounting Officer
(Principal Accounting Officer)

Date: July 31, 2020

EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (“Agreement”) made as of January 1, 2020 (the “**Effective Date**”) by and between **THE INTERPUBLIC GROUP OF COMPANIES, INC.** (the “**Company**” or “**Interpublic**”) and **ELLEN JOHNSON** (“**Executive**”).

In consideration of the mutual promises set forth herein, the parties hereto agree as follows:

ARTICLE I

Defined Terms

1.01 When the initial letter or letters of any of the words or phrases in this Agreement are capitalized, such word or phrase shall have the meaning provided in the Interpublic Executive Severance Plan, as amended from time to time (“**ESP**”), unless the context clearly indicates that a different meaning is intended. Executive’s “**ESP Participation Letter**” is the letter provided to her by the Company dated June 15, 2020 describing her participation in the ESP.

ARTICLE II

Term of Employment

2.01 Subject to the terms of this Agreement, including the provisions of Article VII and Article VIII, the Company shall continue to employ Executive hereunder, subject to termination in accordance with the provisions of Article VII hereof (the period during which Executive is employed hereunder, ending on the “**Termination Date**”, is referred to herein as the “**term of employment**”). Executive shall serve the Company during the term of employment.

ARTICLE III

Duties

3.01 During the term of employment, Executive shall:

(i) Serve as Executive Vice President, Chief Financial Officer of the Company;

(ii) Use her reasonable best efforts to promote the interests of the Company and devote substantially her full time and efforts to the Company’s business and affairs, subject to the terms and provisions of Section 9.01;

(iii) Perform such duties as the Company may from time to time assign to her, consistent with her duties and responsibilities under this Agreement and customary for an executive in her role at similar companies and to the extent covered by applicable indemnification protections and officer and director insurance coverage;

(iv) Serve in such other offices of the Company as she may be elected or appointed to, consistent with her duties and responsibilities under this Agreement and customary for an executive in her role at similar companies; and

(v) Report solely and exclusively to the Chairman and Chief Executive Officer of the Company, provided however, that if the Chairman and Chief Executive Officer of the Company are not the same person, Executive will report to the Chief Executive Officer of the Company.

ARTICLE IV

Regular Compensation

4.01 The Company shall compensate Executive for the duties performed by her hereunder, by payment of a base salary of Seven Hundred Fifty Thousand Dollars ($750,000) per annum, payable in accordance with the Company's regular payroll practices.

4.02 The Company may at any time increase, but not decrease, the compensation paid to Executive under this Article IV if the Company in its sole discretion shall deem it advisable to do so in order to compensate her fairly for services rendered to the Company. The Company shall evaluate Executive's compensation to consider such increase, in its sole discretion, in accordance with the schedule set by the Compensation and Leadership Talent Committee of the Board of Directors, currently annually.

ARTICLE

Bonuses

5.01 Executive shall, during the term of employment, participate in Interpublic's Senior Executive Incentive Plan, or any successor thereto (the "**Bonus Plan**"), in accordance with the terms and conditions of the Bonus Plan established from time to time. Executive shall be eligible for a target award under the Bonus Plan equal to One Hundred Percent (100%) of her base salary. The actual award, if any, may vary from zero percent (0%) to two hundred percent (200%) of Executive's target award, and shall be determined by Interpublic and the Company based on the factors set forth in the Bonus Plan, including Company performance, Executive's individual performance, and management discretion.

ARTICLE VI
Long-Term Incentive

6.01 Executive shall participate in Interpublic's long-term incentive programs with a target annual award value of One Million Five Hundred Thousand Dollars ($1,500,000). Any such long-term incentive award may consist of any forms of incentive, as determined by the Compensation and Leadership Talent Committee of Interpublic's Board of Directors in its discretion. The actual award, if any, may vary from zero percent (0%) to two hundred percent (200%) of Executive's target award, and shall be determined by Interpublic and the Company based on the factors set forth in The Interpublic Group of Companies, Inc. 2019 Performance Incentive Plan or any successor thereto (the "**PIP**"), including Interpublic and Company performance, Executive's individual performance, and management discretion.

ARTICLE VII
Other Employment Benefits

7.01 Executive shall be eligible to participate in such other employee benefits as are available from time to time to other senior executive employees of the Company in accordance with the then current terms and conditions established by the Company for eligibility and employee contributions required for participation in such benefits opportunities.

7.02 Executive shall be entitled to annual paid time off, in accordance with the Company's policies and procedures, to be taken in such amounts and at such times as shall be mutually convenient for Executive and the Company.

7.03 Executive shall be reimbursed for all reasonable out-of-pocket expenses actually incurred by her in the conduct of the business of the Company, provided that Executive submits substantiation of all such expenses to the Company on a timely basis in accordance with standard policies of the Company.

7.04 The Company will contribute Seventy-Five Thousand Dollars ($75,000) per annum, on Executive's behalf under the Interpublic Capital Accumulation Plan ("**CAP**"), pursuant to Executive's CAP Participation Agreement.

7.05 Nothing in this Agreement shall restrict the ability of the Company or Interpublic to change or terminate any or all of its employee benefit plans and programs from time to time; nor shall anything in this Agreement prevent any such change or termination from affecting Executive, subject to the terms and provisions regarding Good Reason, and further, only to the extent that any benefits, granted, contributed, committed or accrued and unpaid are not reduced, withdrawn or nullified.

ARTICLE VIII
Termination

8.01 Termination by the Company. The Company may terminate Executive's employment hereunder at any time and for any reason.

(i) Involuntary Termination Without Cause. The Company may terminate Executive's employment hereunder involuntarily without Cause by giving Executive at least thirty (30) days' prior written notice specifying a Termination Date. In such event, Executive shall continue to be an employee of the Company, and shall assist the Company in the transition of her responsibilities, until the Termination Date. From the Notice Date through the Termination Date, the Company shall continue (a) to pay Executive her base salary, and (b) to provide all benefits under the plans and programs in which Executive participated immediately prior to the Notice Date and continue to vest thereunder to the Termination Date in accordance with the terms of such plans and programs. In addition, if Executive is terminated involuntarily without Cause, she shall be entitled to the payments and benefits prescribed by the ESP in accordance with the terms and conditions of the ESP, including the ESP's rules regarding payments for Specified Employees as set forth in Section 4.3 of the ESP. For purposes of her participation in the ESP, Executive shall be eligible for eighteen (18) months of salary continuation in accordance with the terms of the ESP and Executive's ESP Participation Letter, and will continue to vest in previously granted LTI awards during the period of salary continuation. Additional contributions under CAP will be governed by the CAP plan document. In management's discretion, Executive will be eligible for consideration for an annual incentive bonus for the year prior to termination if the bonus had not already been paid, for the year of termination, and any future year during which severance is paid. All of the foregoing payments made pursuant to this Section 8.01(i) are subject to execution of a standard release agreement, the terms and conditions of which are mutually agreed to between the parties hereto.

(ii) Termination for Cause. The Company may terminate Executive's employment for Cause, as provided in the ESP. In such event, the Company shall continue to pay to Executive her base salary through the Termination Date. Executive shall not be entitled to (a) any bonus for the year in which the Termination Date occurs, or (b) any other payments hereunder. The foregoing shall not limit the remedies available to the Company, at law or in equity, for any loss or other injury caused directly or indirectly by Executive.

8.02 Termination for Good Reason. Executive may terminate her employment with the Company for Good Reason, as defined the ESP. In addition, if Executive terminates her employment for Good Reason, she shall be entitled to the payments and benefits prescribed by the ESP in accordance with the terms and conditions of the ESP, including the ESP’s rules regarding payments for Specified Employees as set forth in Section 4.3 of the ESP. For purposes of her participation in the ESP, Executive shall be eligible for eighteen (18) months of salary continuation in accordance with the terms of the ESP and Executive’s ESP Participation Letter, and will continue to vest in previously granted LTI awards during the period of salary continuation. Additional contributions under CAP will be governed by the CAP plan document. In management’s discretion, Executive will be eligible for consideration for an annual incentive bonus for the year prior to termination if the bonus had not already been paid, for the year of termination, and any future year during which severance is paid. All of the foregoing payments made pursuant to this Section 8.01(ii) are subject to execution of a standard release agreement, the terms and conditions of which are mutually agreed to between the parties hereto.

8.03 Resignation by Executive. Executive may at any time resign from her employment hereunder by providing written notice to the Company specifying a Termination Date not less than six (6) months after the date on which such notice is given. In such event, Executive’s employment hereunder shall terminate on the earlier of (a) the Termination Date specified in such notice, or (b) a Termination Date specified by the Company.

(i) From the date on which Executive provides written notice of her intent to resign until the Termination Date, Executive shall continue to be an employee of the Company and shall assist the Company in the transition of her responsibilities. During such period ending on the Termination Date, the Company shall continue (a) to pay Executive her base salary, and (b) to provide all benefits under the programs in which Executive participated immediately prior to the Notice Date; provided that the Company shall not be required to pay Executive any bonus that might otherwise be paid or payable during the period after Executive has given notice of her intent to terminate employment hereunder, but that the Company will consider a bonus for Executive for the year of resignation, in the Company’s sole discretion.

(ii) If Executive’s employment terminates under this Section 8.03, she shall not be entitled to any payments or benefits for the period after her Termination Date.

(iii) The Company may require that Executive not come in to work after she has given notice of her intent to terminate employment. In no event, however, may Executive perform services for any other employer before her Termination Date.

ARTICLE IX

Covenants

9.01 While Executive is employed hereunder by the Company, she shall not, without the prior written consent of the Company, which shall not be unreasonably withheld, engage, directly or indirectly, in any other trade, business or employment, or have any interest, direct or indirect, in any other business, firm or corporation; provided, however, that she may continue to own or may hereafter acquire any securities of any class of any publicly-owned company; and provided further that nothing in this Agreement shall prohibit her from engaging in activities with educational, charitable, professional or community organizations, pursuing family business matters or serving on any board of directors or managers of an entity not competitive with the Company, but only to the extent that such activities or affiliations do not materially interfere with her duties and responsibilities under this Agreement.

9.02 Executive shall treat as confidential and keep secret the affairs of the Company and shall not at any time during the term of employment or thereafter, without the prior written consent of the Company, except to her legal, tax, or accounting representatives, divulge, furnish or make known or accessible to, or use for the benefit of, anyone other than the Company and its subsidiaries and affiliates any information of a confidential nature relating in any way to the business of the Company or its subsidiaries or affiliates or their clients and obtained by her in the course of her employment hereunder, except that information generally available to the public or in the public domain or in the possession of a third party who has not obtained such information as a result of any breach of an obligation of confidentiality shall not be deemed confidential information. Nothing in this section shall prohibit Executive from disclosing any information or materials which she is compelled to disclose by legal, administrative or judicial process provided that Executive first provides the Company written notice of the same and the Company has an opportunity at its cost and expense to take such appropriate action to narrow or oppose such disclosure.

9.03 All records, papers and documents kept or made by Executive relating to the business of the Company or its subsidiaries or affiliates or their clients shall be and remain the property of the Company, expect for personal tax documents, her contact list and such other documents required to be retained by her legal, administrative or judicial requirements and for which she may have personal responsibility.

9.04 All articles invented by Executive, processes discovered by her, trademarks, designs, advertising copy and art work, display and promotion materials and, in general, everything of value conceived or created by her pertaining to the business of the Company or any of its subsidiaries or affiliates during the term of employment, and any and all rights of every nature whatever thereto, shall immediately become the property of the Company, and Executive shall assign, transfer and deliver all patents, copyrights, royalties, designs and copy, and any and all interests and rights whatever thereto and thereunder to the Company.

9.05 (i) In the event that Executive receives severance pursuant to the ESP, Executive will be bound by the post-employment restrictions in the ESP and the release that will be signed as a condition for receiving such payments.

(ii) In the event that Executive does not receive payments pursuant to the ESP, for twelve (12) months following the Termination Date Executive shall not:

(a) directly or indirectly solicit any employee who was employed by the Company within one (1) year of Executive's Termination Date (as used in this Section 9.05, an "**employee**") of the Company to leave such employ to enter the employ of Executive or of any person, firm or corporation with which Executive is then associated, or induce or encourage any such employee to leave the employment of the Company or to join any other company, or hire any such employee, or otherwise interfere with the relationship between the Company and any of its employees; or

(b) directly or indirectly solicit or handle on Executive's own behalf or on behalf of any other person, firm, or corporation, services similar to those Executive provided while employed by Company from or for any person or entity which is a client of the Company, that was a client of the Company within two (2) years prior to Executive's Termination Date, or that was prospective client of the Company with whom Executive had contact, and for which Executive materially participated in the Company's marketing efforts to such prospective client, within two (2) years prior to Executive's Termination Date (collectively, "**Client**") or to induce any such Client to cease to engage the services of the Company or to use the services of any entity or person that competes directly with a material business of the Company, where the identity of such Client, or the Client's need, desire or receptiveness to services offered by the Company is known by Executive as a part of her employment with the Company.

(iii) During the Severance Period, Executive shall not engage in, invest in (other than as the owner of not more than one percent (1%) of the outstanding securities of any publicly owned company), or otherwise participate in any advertising, marketing, or promotional business, or any other business that is in competition with the business of the Company.

(iv) Executive acknowledges that these provisions are reasonable and necessary to protect the Company's legitimate business interests, and that these provisions do not prevent Executive from earning a living.

9.06 If at the time of enforcement of any provision of this Agreement, a court shall hold that the duration, scope or area restriction of any provision hereof is unreasonable under circumstances now or then existing, the parties hereto agree that the maximum duration, scope or area reasonable under the circumstances shall be substituted by the court for the stated duration, scope or area.

9.07 Executive acknowledges that a remedy at law for any breach or attempted breach of this Article IX of this Agreement shall be inadequate, and agrees that the Company shall be entitled to specific performance and injunctive and other equitable relief in the case of any such breach or attempted breach.

9.08 Executive represents and warrants that neither the execution or delivery of this Agreement nor the performance of Executive's services hereunder shall conflict with, or result in a breach of, any agreement to which Executive is a party or by which she may be bound or affected. Executive further represents and warrants that she has full right, power and authority to enter into and carry out the provisions of this Agreement.

ARTICLE X
Arbitration

10.01 (i) Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, including claims involving alleged legally protected rights, such as claims for age discrimination in violation of the Age Discrimination in Employment Act of 1967, as amended, Title VII of the Civil Rights Act, as amended, and all other federal and state law claims for defamation, breach of contract, wrongful termination and any other claim arising because of Executive's employment, termination of employment or otherwise, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and Section 15.01 hereof, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall take place in the city where Executive customarily renders services to the Company.

ARTICLE XI

Assignment and Non-Duplication of Benefits

11.01 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Neither this Agreement nor any rights hereunder shall be assignable by Executive and any such purported assignment by her shall be void.

11.02 No term or other provision of this Agreement may be interpreted to require the Company to duplicate any payment or other compensation that Executive is already entitled to receive under compensation or benefit plan, program, or other arrangement maintained by Interpublic, the Company, or any of their affiliates.

ARTICLE XII

Employment Taxes and Withholding

12.01 The Company may withhold (or cause to be withheld) from any amounts payable to Executive or on her behalf hereunder any or all federal, state, city, or other taxes that the Company or Interpublic reasonably determines are required to be withheld pursuant to any applicable law or regulation. However, Executive shall be solely responsible for paying all taxes (including any excise taxes) on any compensation (including imputed compensation) and other income provided to her or on her behalf, regardless of whether taxes are withheld. No provision of this Agreement shall be construed (a) to limit Executive's responsibility under this Section 12.01, or (b) to transfer to or impose on the Company, Interpublic, or any of their affiliates any liability relating to taxes (including excise taxes) on compensation (including imputed compensation) or other income under this Agreement.

ARTICLE XIII

Authority to Determine Payment Dates

13.01 To the extent that any payment under this Agreement may be made within a specified number of days on or after any date or the occurrence of any event, the date of payment shall be determined by Interpublic in its sole discretion, in accordance with this Agreement and the applicable plan of the Company and not by the Executive, her beneficiary, or any of her representatives.

ARTICLE XIV

Section 409A of the Code

14.01 This Agreement shall be construed, administered, and interpreted in accordance with Section 409A of the Code. If the Company or Executive determines that any provision of this Agreement is or might be inconsistent with the requirements of Section 409A, the parties shall attempt in good faith to agree on such amendments to this Agreement as may be necessary or appropriate to avoid causing Executive to incur adverse tax consequences under Section 409A of the Code. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with Section 409A from Executive or any other individual to the Company, Interpublic, or any of their affiliates.

ARTICLE XV
Waiver and Amendments

15.01 No provision of this Agreement may be amended, modified, waived or discharged, unless such amendment, modification, waiver or discharge is agreed to in writing signed by Executive and by an authorized representative of the Company. Unless specifically characterized as a continuing waiver, no waiver of a condition or provision at any one time may be considered a waiver of the same provision or condition (or any different provision or condition) at any other time.

ARTICLE XVI
Applicable Law

16.01 The Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any rule or principle concerning conflicts or choice of law that might otherwise refer construction or interpretation to the substantive law of another jurisdiction.

ARTICLE XVII
Entire Agreement

17.01 This Agreement sets forth the entire understanding between the Company and Executive concerning her employment by the Company and supersedes any and all previous agreements between Executive and the Company concerning such employment and/or any compensation or bonuses. Each party hereto shall pay its own costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, and execution of this Agreement and each amendment thereto. Any amendment or modification to this Agreement shall be set forth in writing and signed by Executive and an authorized director or officer of the Company. This Agreement may be signed in counterparts, with signature pages electronically exchanged and copied to the other parties. Upon signing by all parties, this Agreement shall constitute one complete agreement.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Andrew Bonzani

Name: Andrew Bonzani
Title: EVP, General Counsel and Secretary

Date: July 29, 2020

ELLEN JOHNSON

/s/ Ellen Johnson

Date: July 29, 2020

AMENDMENT NO. 1 TO THE
CREDIT AGREEMENT

Dated as of July 28, 2020

AMENDMENT NO. 1 TO THE CREDIT AGREEMENT (this "Amendment"), dated as of July 28, 2020 among The Interpublic Group of Companies, Inc., a Delaware corporation (the "Company"), the banks, financial institutions and other institutional lenders parties to the Credit Agreement referred to below (collectively, the "Lenders") and Citibank, N.A., as administrative agent (the "Agent") for the Lenders.

PRELIMINARY STATEMENTS:

(1) The Company, the Lenders and the Agent have entered into an Amended and Restated Credit Agreement dated as of November 1, 2019 (the "Credit Agreement"). Capitalized terms used in this Amendment and not otherwise defined in this Amendment shall have the same meanings as specified in the Credit Agreement.

(2) The Company, the Required Lenders and the Agent have agreed to amend the Credit Agreement as hereinafter set forth.

AGREEMENTS:

SECTION 1. Amendments to the Credit Agreement. The Credit Agreement is, effective as of the date set forth above and subject to the satisfaction of the conditions precedent set forth in Section 2, hereby amended as follows:

(a) Section 1.01 is amended by adding the following definitions in appropriate alphabetical order:

"Covenant Relief Period" means the period commencing on July 28, 2020, and ending on (and including) the Covenant Relief Period Termination Date.

"Covenant Relief Period Termination Date" means the earlier of (a) June 30, 2021 and (b) the date on which the Agent receives an Covenant Relief Period Termination Notice from the Company; provided that, with respect to clause (b) hereof, no Default shall have occurred and be continuing.

"Covenant Relief Period Termination Notice" means a certificate of a Responsible Officer of the Company (a) stating that the Company irrevocably elects to terminate the Covenant Relief Period effective as of the date set forth in such certificate (which date shall be no earlier than the date of the certificate) delivered to the Agent and (b) certifying that (x) the Leverage Ratio as of the end of the most recently ended fiscal quarter did not exceed 3.50 to 1.00 and (y) at the time of and immediately after the Covenant Relief Period Termination Date no Default shall have occurred and be continuing.

(b) Section 1.01 is further amended by adding to the end of the definition of "Applicable Margin" a proviso to read as follows:

; provided that during the Covenant Relief Period (a) the Applicable Margin for Base Rate Advances for (i) Level 5 shall be 0.750% and (ii) Level 6 shall be 0.950% and (b) the Applicable Margin for Eurocurrency Rate Advances for (i) Level 5 shall be 1.750% and (ii) for Level 6 shall be 1.950%.

(c) Section 5.03 is amended in full to read as follows:

SECTION 5.03. Financial Covenant. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Company will maintain, as of the end of each fiscal quarter, a Leverage Ratio of not greater than (i) 4.25 to 1.0 on the last day of each fiscal quarter ended on or prior to the Covenant Relief Period Termination Date and (ii) 3.50 to 1.00 thereafter (or, for four consecutive fiscal quarters ending after the Covenant Relief Period Termination Date and commencing with the fiscal quarter in which a Specified Acquisition occurs and following notice (a "Covenant Notice") from the Company (but without any consent from the Agent or the Lenders), 4.00 to 1.0); provided that there shall be a period of at least two consecutive fiscal quarters after the covenant steps down to 3.50 to 1.0 before a subsequent Covenant Notice is submitted.

SECTION 2. Conditions of Effectiveness. This Amendment shall become effective as of the date first above written when, and only when, the Agent shall have received (a) counterparts of this Amendment executed by the Company and the Required Lenders and (b) for the account of each Lender who has delivered a counterpart to this Amendment, an amendment fee paid by or on behalf of the Company in an amount equal to 0.10% of the amount of the Revolving Credit Commitment of such Lender.

SECTION 3. Representations and Warranties of the Company. The Company represents and warrants as follows:

(a) The representations and warranties contained in Section 4.01 of the Credit Agreement are correct on and as of the effective date of this Amendment, as though made on and as of such date.

(b) No event has occurred and is continuing that constitutes a Default.

(c) The execution, delivery and performance by the Company of this Amendment and the Credit Agreement and each of the Notes, as amended hereby, are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation of the Company or of any judgment, injunction, order, decree, material agreement or other instrument binding upon the Company or result in the creation or imposition of any Lien on any asset of the Company or any of its Consolidated Subsidiaries.

(d) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Company of this Amendment or the Credit Agreement and the Notes, as amended hereby.

(e) This Amendment has been duly executed and delivered by the Company. This Amendment and each of the Credit Agreement and the Notes, as amended hereby, are legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and subject to general principles of equity.

(f) There is no action, suit, investigation, litigation or proceeding pending against, or to the knowledge of the Company, threatened against the Company or any of its Consolidated

Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a significant probability of an adverse decision that purports to affect the legality, validity or enforceability of this Amendment, the Credit Agreement or any Note or the consummation of the transactions contemplated hereby.

SECTION 4. Reference to and Effect on the Credit Agreement and the Notes. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import referring to the Credit Agreement, and each reference in the Notes to “the Credit Agreement”, “thereunder,” “thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

(b) The Credit Agreement and the Notes, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under the Credit Agreement, or constitute a waiver of any provision of the Credit Agreement.

SECTION 5. Costs and Expenses. The Company agrees to pay on demand all reasonable costs and expenses of the Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the Credit Agreement.

SECTION 6. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by electronic medium or facsimile shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execution,” “signed,” “signature,” and words of like import in this Amendment shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided, further, that, without limiting the foregoing, upon the request of the Agent, any electronic signature shall be promptly followed by such manually executed counterpart.

SECTION 7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to conflicts of law provisions that might require the application of the laws of a different jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, effective as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC., as Company

By: /s/ Alessandro Nisita
Name: Alessandro Nisita
Title: SVP & Treasurer

CITIBANK, N.A., as Agent and as Lender

By: /s/ Michael Vondriska
Name: Michael Vondriska
Title: Vice President

JPMORGAN CHASE BANK, N.A.

By: /s/ John Kowalczuk
Name: John Kowalczuk
Title: Executive Director

BANK OF AMERICA, N.A.

By: /s/ Jana Baker
Name: Jana Baker
Title: Senior Vice President

MORGAN STANLEY BANK, N.A.

By: /s/ Marisa Moss
Name: Marisa Moss
Title: Authorized Signatory

MUFG BANK, LTD.

By: /s/ Marlon Mathews
Name: Marlon Mathews
Title: Director

BANCO BILBAO VIZCAYA ARGENTARIA, S.A., NEW YORK BRANCH

By: /s/ Cara Younger
Name: Cara Younger
Title: Executive Director

By: /s/ Miriam Trautmann
Name: Miriam Trautmann

Title: Senior Vice President

BNP PARIBAS

By: /s/ Maria Mulic
Name: Maria Mulic
Title: Managing Director

By: /s/ Barbara Nash
Name: Barbara Nash
Title: Managing Director

HSBC BANK USA, NATIONAL ASSOCIATION

By: /s/ Brett Bonet
Name: Brett Bonet
Title: Director

ING BANK N.V., DUBLIN BRANCH

By: /s/ Sean Hassett
Name: Sean Hassett
Title: Director

By: /s/ Pádraig Matthews
Name: Pádraig Matthews
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Farzad Sanei
Name: Farzad Sanei
Title: Vice President

CITIZENS BANK, N.A.

By: /s/ Angela Reilly
Name: Angela Reilly
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Cheryl L. Sekelsky
Name: Cheryl L. Sekelsky
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Kelsey E. Hehman
Name: Kelsey E. Hehman
Title: Assistant Vice President

BANK OF CHINA, NEW YORK BRANCH

By: /s/ Raymond Qiao
Name: Raymond Qiao
Title: Executive Vice President

DANSKE BANK A/S

By: /s/ Gert Carstens
Name: Gert Carstens
Title: Senior Loan Manager

By: /s/ Eva Hansen
Name: Eva Hansen
Title: Senior Loan Manager

GOLDMAN SACHS BANK USA

By: /s/ Jamie Minieri
Name: Jamie Minieri
Title: Authorized Signatory

INTESA SANPAOLO S.P.A, NEW YORK BRANCH.

By: /s/ Glen Binder
Name: Glen Binder
Title: Global Relationship Manager

By: /s/ Manuela Insana
Name: Manuela Insana
Title: Relationship Manager

LLOYDS BANK CORPORATE MARKETS PLC

By: /s/ Kamala Basdeo
Name: Kamala Basdeo
Title: Assistant Vice President

By: /s/ Tina Wong
Name: Tina Wong
Title: Assistant Vice President

AMENDMENT NO. 1 TO THE
CREDIT AGREEMENT

Dated as of July 28, 2020

AMENDMENT NO. 1 TO THE CREDIT AGREEMENT (this "Amendment"), dated as of July 28, 2020 among The Interpublic Group of Companies, Inc., a Delaware corporation (the "Company"), the banks, financial institutions and other institutional lenders parties to the Credit Agreement referred to below (collectively, the "Lenders") and Citibank, N.A., as administrative agent (the "Agent") for the Lenders.

PRELIMINARY STATEMENTS:

(1) The Company, the Lenders and the Agent have entered into a 364-Day Credit Agreement dated as of March 27, 2020 (the "Credit Agreement"). Capitalized terms used in this Amendment and not otherwise defined in this Amendment shall have the same meanings as specified in the Credit Agreement.

(2) The Company, the Required Lenders and the Agent have agreed to amend the Credit Agreement as hereinafter set forth.

AGREEMENTS:

SECTION 1. Amendments to the Credit Agreement. Section 5.03 of the Credit Agreement is, effective as of the date set forth above and subject to the satisfaction of the conditions precedent set forth in Section 2, hereby amended in full to read as follows:

> SECTION 5.03. Financial Covenant. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Company will maintain, as of the end of each fiscal quarter, a Leverage Ratio of not greater than 4.25 to 1.0.

SECTION 2. Conditions of Effectiveness. This Amendment shall become effective as of the date first above written when, and only when, the Agent shall have received (a) counterparts of this Amendment executed by the Company and the Required Lenders and (b) for the account of each Lender who has delivered a counterpart to this Amendment, an amendment fee paid by or on behalf of the Company in an amount equal to 0.10% of the amount of the Revolving Credit Commitment of such Lender.

SECTION 3. Representations and Warranties of the Company. The Company represents and warrants as follows:

(a) The representations and warranties contained in Section 4.01 of the Credit Agreement are correct on and as of the effective date of this Amendment, as though made on and as of such date.

(b) No event has occurred and is continuing that constitutes a Default.

(c) The execution, delivery and performance by the Company of this Amendment and the Credit Agreement and each of the Notes, as amended hereby, are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation of the Company or of any judgment, injunction, order, decree, material agreement or other instrument binding upon the Company or result in the creation or imposition of any Lien on any asset of the Company or any of its Consolidated Subsidiaries.

(d) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Company of this Amendment or the Credit Agreement and the Notes, as amended hereby.

(e) This Amendment has been duly executed and delivered by the Company. This Amendment and each of the Credit Agreement and the Notes, as amended hereby, are legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and subject to general principles of equity.

(f) There is no action, suit, investigation, litigation or proceeding pending against, or to the knowledge of the Company, threatened against the Company or any of its Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a significant probability of an adverse decision that purports to affect the legality, validity or enforceability of this Amendment, the Credit Agreement or any Note or the consummation of the transactions contemplated hereby.

SECTION 4. Reference to and Effect on the Credit Agreement and the Notes. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import referring to the Credit Agreement, and each reference in the Notes to “the Credit Agreement”, “thereunder,” “thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

(b) The Credit Agreement and the Notes, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under the Credit Agreement, or constitute a waiver of any provision of the Credit Agreement.

SECTION 5. Costs and Expenses. The Company agrees to pay on demand all reasonable costs and expenses of the Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the Credit Agreement.

SECTION 6. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by electronic medium or facsimile shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execution,” “signed,” “signature,” and words of like import in this Amendment shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided, further, that, without limiting the foregoing, upon the request of the Agent, any electronic signature shall be promptly followed by such manually executed counterpart.

SECTION 7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to conflicts of law provisions that might require the application of the laws of a different jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, effective as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC., as Company

By: /s/ Alessandro Nisita
Name: Alessandro Nisita
Title: SVP & Treasurer

CITIBANK, N.A., as Agent and as Lender

By: /s/ Michael Vondriska
Name: Michael Vondriska
Title: Vice President

JPMORGAN CHASE BANK, N.A.

By: /s/ John Kowalczuk
Name: John Kowalczuk
Title: Executive Director

BANK OF AMERICA, N.A.

By: /s/ Jana Baker
Name: Jana Baker
Title: Senior Vice President

MORGAN STANLEY BANK, N.A.

By: /s/ Marisa Moss
Name: Marisa Moss
Title: Authorized Signatory

BANCO BILBAO VIZCAYA ARGENTARIA, S.A., NEW YORK BRANCH

By: /s/ Cara Younger
Name: Cara Younger
Title: Executive Director

By: /s/ Miriam Trautmann
Name: Miriam Trautmann
Title: Senior Vice President

BNP PARIBAS

By: /s/ Maria Mulic
Name: Maria Mulic
Title: Managing Director

By: /s/ Barbara Nash
Name: Barbara Nash
Title: Managing Director

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Farzad Sanei
Name: Farzad Sanei
Title: Vice President

EXHIBIT 31.1

CERTIFICATION

I, Michael I. Roth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Interpublic Group of Companies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ *Michael I. Roth*

Michael I. Roth
Chairman and Chief Executive Officer

Date: July 31, 2020

EXHIBIT 31.2

CERTIFICATION

I, Ellen Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Interpublic Group of Companies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ *Ellen Johnson*

Ellen Johnson

Executive Vice President and Chief Financial Officer

Date: July 31, 2020

EXHIBIT 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of The Interpublic Group of Companies, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The quarterly report on Form 10-Q for the quarter ended June 30, 2020 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the quarterly report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ *Michael I. Roth*

Michael I. Roth

Chairman and Chief Executive Officer

Dated: July 31, 2020

/s/ *Ellen Johnson*

Ellen Johnson

Executive Vice President and Chief Financial Officer

Dated: July 31, 2020