

Fourth Quarter 2019 Results

February 11, 2020

OmnicomGroup | Investor Presentation



2019 vs. 2018 P&L Summary

Fourth Quarter

	Fourth Quarter	
	2019	2018
Revenue	\$ 4,141.2	\$ 4,086.7
<i>Operating Expenses ^(a)</i>	3,494.8	3,459.5
Operating Profit	646.4	627.2
<i>Net Interest Expense</i>	38.6	53.1
<i>Income Tax Expense</i>	158.8	149.7
<i>Tax Rate %</i>	26.1%	26.1%
<i>Income From Equity Method Investments</i>	0.8	5.3
<i>Net Income Attributed To Noncontrolling Interests</i>	34.8	30.5
Net Income - Omnicom Group Inc.	<u>\$ 415.0</u>	<u>\$ 399.2</u>

(a) Additional information on our operating expenses can be found on page 21.

2019 vs. 2018 Earnings per Share – Diluted

Fourth Quarter

	Fourth Quarter	
	2019	2018
Net Income - Omnicom Group Inc.	\$ 415.0	\$ 399.2
<i>Diluted Shares (millions)</i>	219.3	225.6
Earnings per Share - Diluted	\$ 1.89	\$ 1.77
<i>Dividends Declared Per Common Share</i>	\$ 0.65	\$ 0.60

2019 vs. 2018 P&L Summary

Full Year

	Full Year	
	2019	2018 ^{(b) (c)}
Revenue	\$ 14,953.7	\$ 15,290.2
<i>Operating Expenses ^(a)</i>	12,831.4	13,156.7
Operating Profit	2,122.3	2,133.5
<i>Net Interest Expense</i>	184.0	209.2
<i>Income Tax Expense</i>	504.4	492.7
<i>Tax Rate %</i>	26.0%	25.6%
<i>Income From Equity Method Investments</i>	2.0	8.9
<i>Net Income Attributed To Noncontrolling Interests</i>	96.8	114.1
Net Income - Omnicom Group Inc.	<u>\$ 1,339.1</u>	<u>\$ 1,326.4</u>

(a) Additional information on our operating expenses can be found on page 21.

(b) During the third quarter of 2018, we disposed of certain subsidiaries and recorded a net gain, primarily related to the sale of Sellbytel, our outsourced sales, service and support company. Additionally, during the third quarter of 2018, we recorded expenses for certain repositioning actions related to the continued improvement of our strategic position and operating efficiencies of our businesses. Lastly, income tax expense for the third quarter of 2018 included additional expense related to an adjustment to the estimate of the impact of the Tax Cuts and Job Act (the "2017 Tax Act"), as described in footnote (c) below. The net impact of these items increased operating profit by \$29.0 million and Net Income - Omnicom Group Inc. by \$18.2 million for the twelve months ended December 31, 2018. Please see page 22 for additional information regarding the gain and repositioning charges.

(c) Income tax expense for the twelve months ended December 31, 2018 reflected a net increase of \$28.9 million related to an adjustment, recorded in the third quarter of 2018, to the provisional amounts recorded for the 2017 Tax Act.

2019 vs. 2018 Earnings per Share – Diluted Full Year

	Full Year	
	2019	2018 ^(a)
Net Income - Omnicom Group Inc.	\$ 1,339.1	\$ 1,326.4
<i>Diluted Shares (millions)</i>	220.9	227.6
Earnings per Share - Diluted	\$ 6.06	\$ 5.83
<i>Dividends Declared Per Common Share</i>	\$ 2.60	\$ 2.40

(a) During the third quarter of 2018, we disposed of certain subsidiaries and recorded a net gain, primarily related to the sale of Sellbytel, our outsourced sales, service and support company, took certain repositioning actions and recorded additional income tax expense related to an adjustment to the effects of the 2017 Tax Act as described on page 3. The net impact of these items increased Net Income - Omnicom Group Inc. by \$18.2 million and Earnings per Share - Diluted by \$0.08 per common share for the twelve months ended December 31, 2018. Please see page 22 for additional information regarding the gain and repositioning charges.

2019 vs. 2018 Non-GAAP Financial Measures - Adjusted for the Impact of Third Quarter 2018 Dispositions, Repositioning Actions and the 2017 Tax Act

	Full Year		
	2019	2018 ^{(a) (b)}	2018 Non-GAAP Adjusted ^{(a) (b)}
Operating Profit	\$ 2,122.3	\$ 2,133.5	\$ 2,104.5
<i>Net Interest Expense</i>	184.0	209.2	209.2
<i>Income Tax Expense</i>	504.4	492.7	488.8
<i>Tax Rate %</i>	26.0%	25.6%	25.8%
<i>Income From Equity Method Investments</i>	2.0	8.9	8.9
<i>Net Income Attributed To Noncontrolling Interests</i>	96.8	114.1	107.2
Net Income - Omnicom Group Inc.	<u>\$ 1,339.1</u>	<u>\$ 1,326.4</u>	<u>\$ 1,308.2</u>

The above table, along with the table on page 6, identifies the U.S. GAAP financial measures of Operating Profit and Net Income - Omnicom Group Inc. as reported, as well as the non-GAAP financial measures adjusted for the impact of the net gain recognized on dispositions of certain subsidiaries, certain repositioning actions and the revision of the provisional income tax expense amounts recorded in connection with the enactment of the 2017 Tax Act, in the column entitled "2018 Non-GAAP Adjusted" for the twelve months ended December 31, 2018. We believe that the amounts presented in the "2018 Non-GAAP Adjusted" column are useful measures for investors to understand the impact these items had on the comparability of our reported results. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP. Non-GAAP financial measures reported by us may not be comparable to similarly titled amounts reported by other companies. Please see page 30 for the definition of this measure and pages 26, 28 and 29 for the reconciliation of non-GAAP financial measures, which reconciles the reported U.S. GAAP financial measures to the non-GAAP amounts presented above.

(a) Please refer to footnote (b) on page 3 and additional information on page 26.

(b) Please refer to footnote (c) on page 3.

2019 vs. 2018 Non-GAAP Financial Measures - Adjusted for the Impact of Third Quarter 2018 Dispositions, Repositioning Actions and the 2017 Tax Act

	Full Year		
	2019	2018 ^(a)	2018 Non-GAAP Adjusted ^(a)
Net Income - Omnicom Group Inc.	\$ 1,339.1	\$ 1,326.4	\$ 1,308.2
<i>Diluted Shares (millions)</i>	220.9	227.6	227.6
Earnings per Share - Diluted	\$ 6.06	\$ 5.83	\$ 5.75
<i>Dividends Declared Per Common Share</i>	\$ 2.60	\$ 2.40	\$ 2.40

The above table, along with the table on page 5, identifies the U.S. GAAP financial measures of Net Income - Omnicom Group Inc. and Earnings per Share - Diluted as reported, as well as the non-GAAP financial measures adjusted for the impact of the net gain recognized on dispositions of certain subsidiaries, certain repositioning actions and the revision of the provisional income tax expense amounts recorded in connection with the enactment of the 2017 Tax Act, in the column entitled "2018 Non-GAAP Adjusted" for the twelve months ended December 31, 2018. We believe that the amounts presented in the "2018 Non-GAAP Adjusted" column are useful measures for investors to understand the impact these items had on the comparability of our reported results. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP. Non-GAAP financial measures reported by us may not be comparable to similarly titled amounts reported by other companies. Please see page 30 for the definition of this measure and pages 26, 28 and 29 for the reconciliation of non-GAAP financial measures, which reconciles the reported U.S. GAAP financial measures to the non-GAAP amounts presented above.

(a) Please refer to footnote (a) on page 4 and additional information on page 26.

2019 Total Revenue Change

	Fourth Quarter		Full Year	
	\$	% Δ	\$	% Δ
<i>Prior Period Revenue</i>	\$ 4,086.7		\$ 15,290.2	
<i>Foreign exchange rate impact ^(a)</i>	(37.0)	-0.9%	(315.9)	-2.1%
<i>Acquisition revenue, net of disposition revenue ^(b)</i>	(50.6)	-1.2%	(445.1)	-2.9%
<i>Organic growth ^(c)</i>	142.1	3.5%	424.5	2.8%
<i>Current Period Revenue</i>	\$ 4,141.2	1.3%	\$ 14,953.7	-2.2%

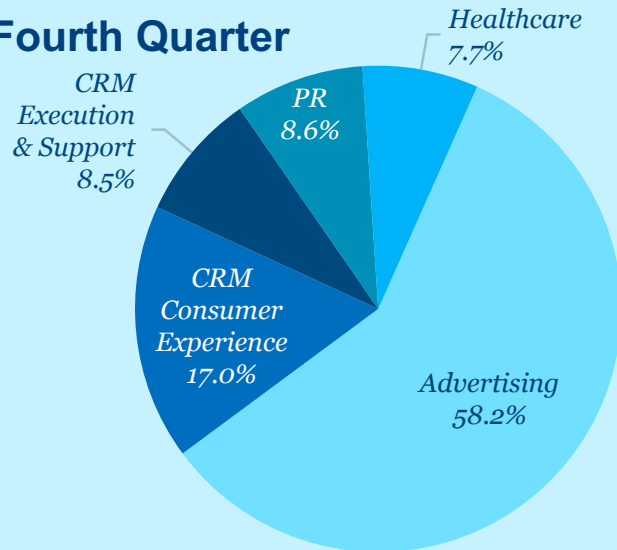
(a) Foreign exchange rate impact: calculated by translating the current period's local currency revenue using the prior period average exchange rates to derive current period constant currency revenue. The foreign exchange rate impact is the difference between the current period revenue in U.S. Dollars and the current period constant currency revenue.

(b) Acquisition revenue, net of disposition revenue: Acquisition revenue is calculated as if the acquisition occurred twelve months prior to the acquisition date by aggregating the comparable prior period revenue of acquisitions through the acquisition date. As a result, acquisition revenue excludes the positive or negative difference between our current period revenue subsequent to the acquisition date and the comparable prior period revenue and the positive or negative growth after the acquisition date is attributed to organic growth. Disposition revenue is calculated as if the disposition occurred twelve months prior to the disposition date by aggregating the comparable prior period revenue of disposals through the disposition date. The acquisition revenue and disposition revenue amounts are netted in the presentation above.

(c) Organic growth: calculated by subtracting the foreign exchange rate impact, and the acquisition revenue, net of disposition revenue components from total revenue growth.

2019 Revenue by Discipline

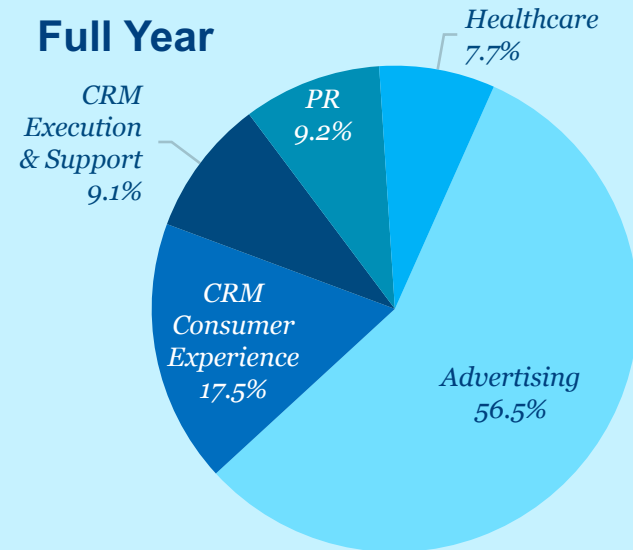
Fourth Quarter



	\$ Mix	% Growth	% Organic Growth ^(a)
Advertising	\$ 2,409.3	3.8%	5.1%
CRM Consumer Experience	704.9	2.1%	3.3%
CRM Execution & Support	351.6	-17.3%	-6.0%
PR	358.3	-3.2%	-2.5%
Healthcare	317.1	12.9%	12.9%
Total	\$ 4,141.2	1.3%	3.5%

(a) "Organic Growth" reflects the year-over-year increase or decrease in revenue from the prior period, excluding the foreign exchange rate impact, acquisition revenue, net of disposition revenue, as defined on page 7.

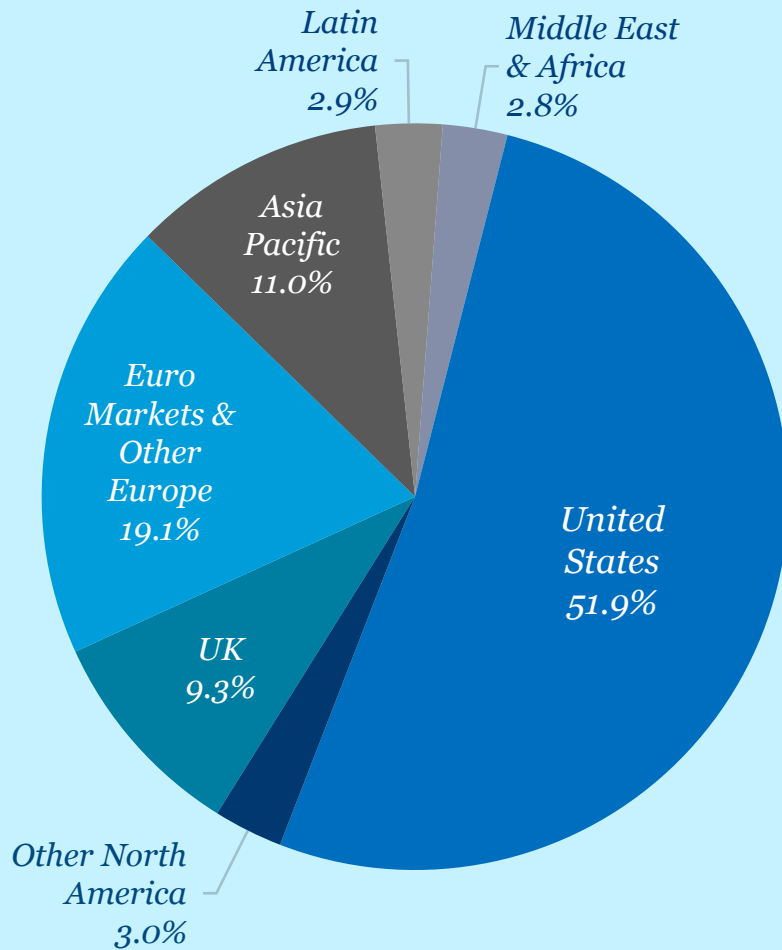
Full Year



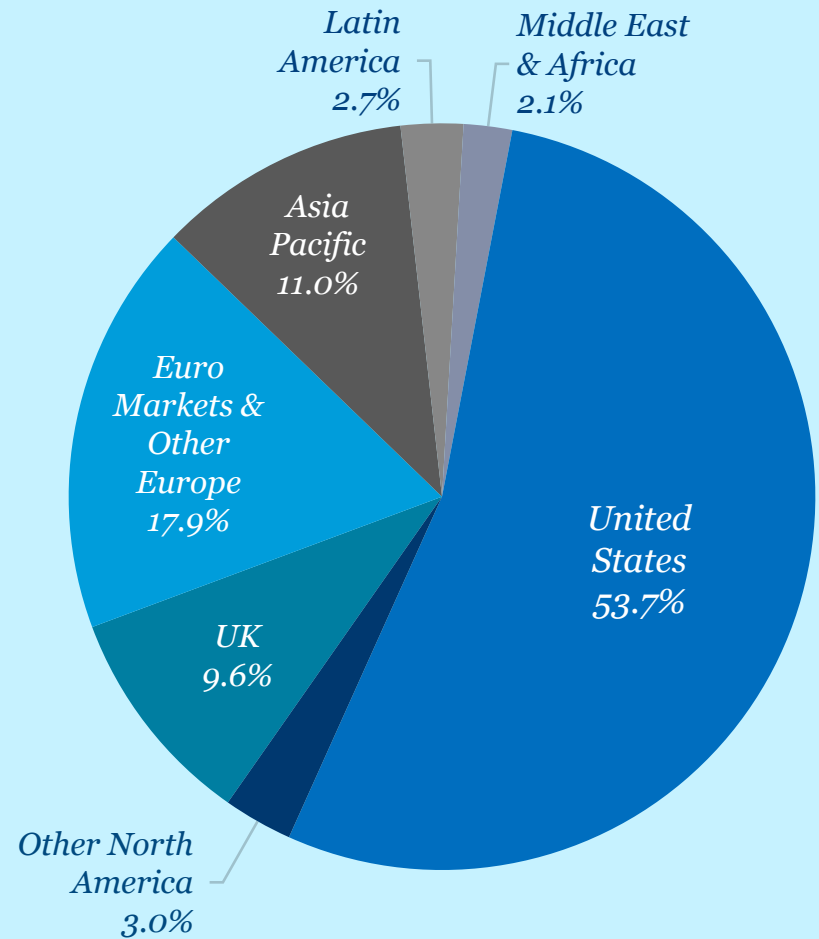
	\$ Mix	% Growth	% Organic Growth ^(a)
Advertising	\$ 8,451.7	2.1%	4.5%
CRM Consumer Experience	2,610.0	-0.7%	1.6%
CRM Execution & Support	1,361.2	-28.0%	-3.2%
PR	1,378.9	-3.9%	-2.0%
Healthcare	1,151.9	9.4%	9.5%
Total	\$ 14,953.7	-2.2%	2.8%

2019 Revenue by Region

Fourth Quarter



Full Year



2019 Revenue by Region

Fourth Quarter

	\$ Mix	% Growth	% Organic Growth ^(a)
<i>United States</i>	\$ 2,150.1	0.7%	2.8%
<i>Other North America</i>	124.6	-3.2%	-2.3%
<i>UK</i>	386.4	2.4%	3.3%
<i>Euro Markets & Other Europe</i>	790.9	2.7%	4.7%
<i>Asia Pacific</i>	456.8	2.4%	4.5%
<i>Latin America</i>	117.4	-11.0%	-1.3%
<i>Middle East & Africa</i>	115.0	18.3%	19.5%
<i>Total</i>	\$ 4,141.2	1.3%	3.5%

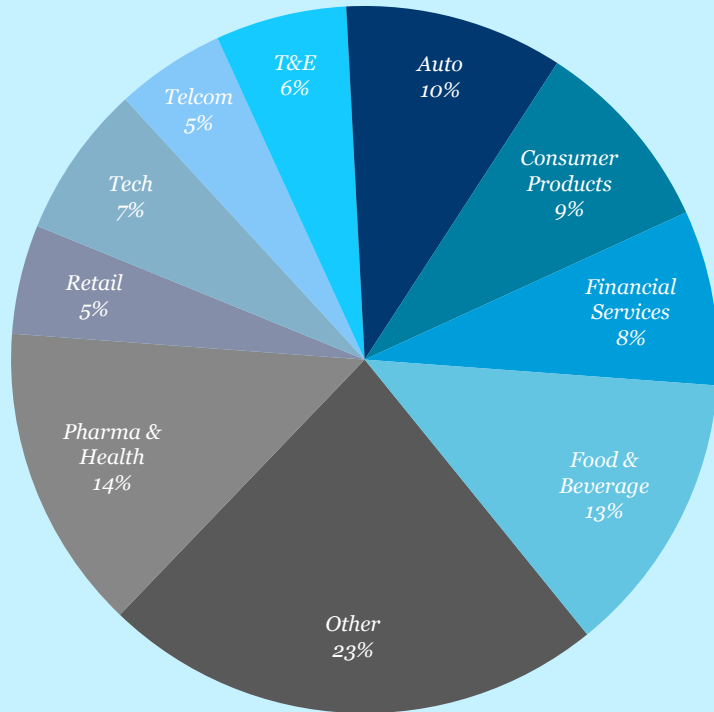
Full Year

	\$ Mix	% Growth	% Organic Growth ^(a)
<i>United States</i>	\$ 8,033.0	0.4%	2.7%
<i>Other North America</i>	445.8	0.7%	4.2%
<i>UK</i>	1,432.3	-1.6%	3.3%
<i>Euro Markets & Other Europe</i>	2,675.1	-8.4%	3.0%
<i>Asia Pacific</i>	1,649.5	-3.6%	2.2%
<i>Latin America</i>	403.4	-11.8%	-0.2%
<i>Middle East & Africa</i>	314.6	3.4%	6.5%
<i>Total</i>	\$ 14,953.7	-2.2%	2.8%

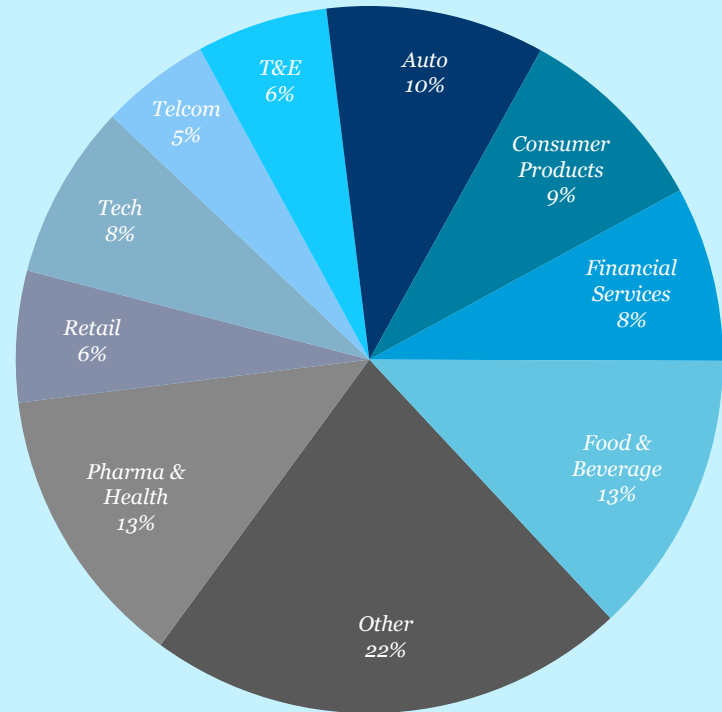
(a) "Organic Growth" reflects the year-over-year increase or decrease in revenue from the prior period, excluding the foreign exchange rate impact, acquisition revenue, net of disposition revenue, as defined on page 7.

Revenue by Industry

Full Year – 2019



Full Year – 2018



Cash Flow Performance

	Full Year	
	2019	2018
Net Income	\$ 1,435.9	\$ 1,440.5
<i>Depreciation and Amortization of Intangible Assets</i>	231.5	264.0
<i>Share-Based Compensation</i>	72.5	70.5
<i>Net gain from dispositions of subsidiaries</i>	—	(178.4)
<i>Impact of 2017 Tax Act</i>	—	28.9
<i>Other Items to Reconcile to Net Cash Provided by Operating Activities, net</i>	(9.0)	16.3
Free Cash Flow ^(a)	\$ 1,730.9	\$ 1,641.8

Additional information regarding our cash flows can be found in our condensed cash flow statement on page 20.

(a) The Free Cash Flow amounts presented above are non-GAAP liquidity measures. See page 30 for the definition of this measure and page 27 for the reconciliation of the non-GAAP financial measures, which reconciles Free Cash Flow to the Net Cash Provided by Operating Activities for the periods presented above.

Cash Flow Performance

	Full Year	
	2019	2018
Free Cash Flow ^(a)	\$ 1,730.9	\$ 1,641.8
Primary Uses of Cash:		
<i>Dividends paid to Common Shareholders</i>	564.3	548.5
<i>Dividends paid to Noncontrolling Interest Shareholders</i>	97.3	134.9
<i>Capital Expenditures</i>	102.2	195.7
<i>Acquisition of Businesses and Affiliates, Acquisition of Additional Noncontrolling Interests and Contingent Purchase Price Payments, net of Proceeds from Sale of Investments and other</i>	124.1	477.1
<i>Stock Repurchases, net of Proceeds from Stock Plans</i>	603.7	568.3
Primary Uses of Cash ^(a)	1,491.6	1,924.5
Net Free Cash Flow ^(a)	\$ 239.3	\$ (282.7)

Additional information regarding our cash flows can be found in our condensed cash flow statement on page 20.

(a) The Free Cash Flow, Primary Uses of Cash and Net Free Cash Flow amounts presented above are non-GAAP liquidity measures. See page 30 for the definition of these measures and page 27 for the reconciliation of non-GAAP financial measures, which reconciles Free Cash Flow to the Net Cash Provided by Operating Activities and Net Free Cash Flow to the Net Increase (Decrease) in Cash and Cash Equivalents for the periods presented above.

Current Credit Picture

	Full Year	
	2019	2018
<i>EBITDA ^(a)</i>	\$ 2,353.8	\$ 2,397.5
<i>Gross Interest Expense on Indebtedness</i>	227.2	241.9
<i>EBITDA / Gross Interest Expense on Indebtedness</i>	10.4 x	9.9 x
<i>Total Debt / EBITDA</i>	2.2 x	2.0 x
<i>Net Debt ^(b) / EBITDA</i>	0.4 x	0.5 x
Debt		
<i>Bank Loans (Due Less Than 1 Year)</i>	\$ 10.1	\$ 8.1
<i>CP & Borrowings Issued Under Revolver</i>	—	—
<i>USD-denominated Senior Notes ^(c)</i>	4,000.0	4,900.0
<i>EUR-denominated Senior Notes ^(c)</i>	1,122.8	—
<i>Other Debt</i>	11.5	(16.3)
Total Debt	\$ 5,144.4	\$ 4,891.8
<i>Cash, Cash Equivalents and Short Term Investments</i>	4,309.3	3,657.9
Net Debt ^(b)	\$ 835.1	\$ 1,233.9

(a) EBITDA is a non-GAAP performance measure. See page 30 for the definition of this measure and page 25 for the reconciliation of non-GAAP financial measures.

(b) Net Debt is a non-GAAP liquidity measure. See page 30 for the definition of this measure, which is reconciled in the table above.

(c) See pages 17 and 18 for additional information on our Senior Notes.

Historical Returns

Return on Invested Capital (ROIC) ^(a):

<i>Twelve months ended December 31, 2019</i>	29.5%
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<i>Twelve months ended December 31, 2018</i>	29.6%
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Return on Equity ^(b):

<i>Twelve months ended December 31, 2019</i>	49.6%
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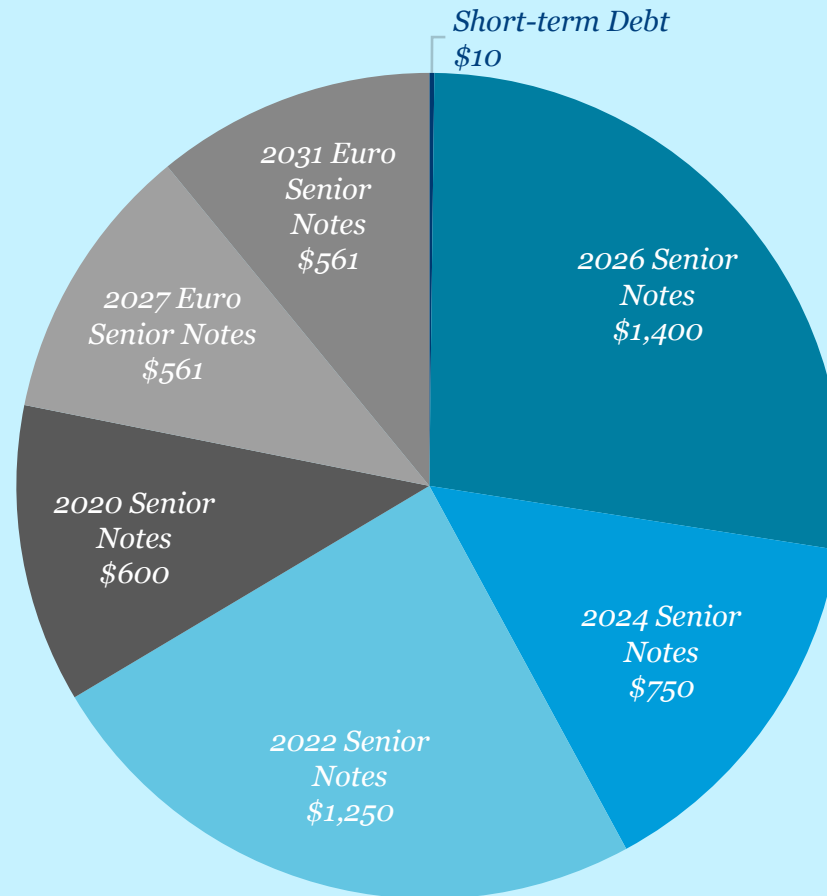
<i>Twelve months ended December 31, 2018</i>	51.4%
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(a) Return on Invested Capital is After Tax Reported Operating Profit (a non-GAAP performance measure – see page 30 for the definition of this measure and page 27 for the reconciliation of non-GAAP financial measures) divided by the average of Invested Capital at the beginning and the end of the period (book value of all long-term liabilities, including those related to operating leases, short-term interest bearing debt, the short-term liability related to operating leases plus shareholders' equity less cash, cash equivalents, short term investments and operating lease right of use assets).

(b) Return on Equity is Reported Net Income for the given period divided by the average of shareholders' equity at the beginning and end of the period.

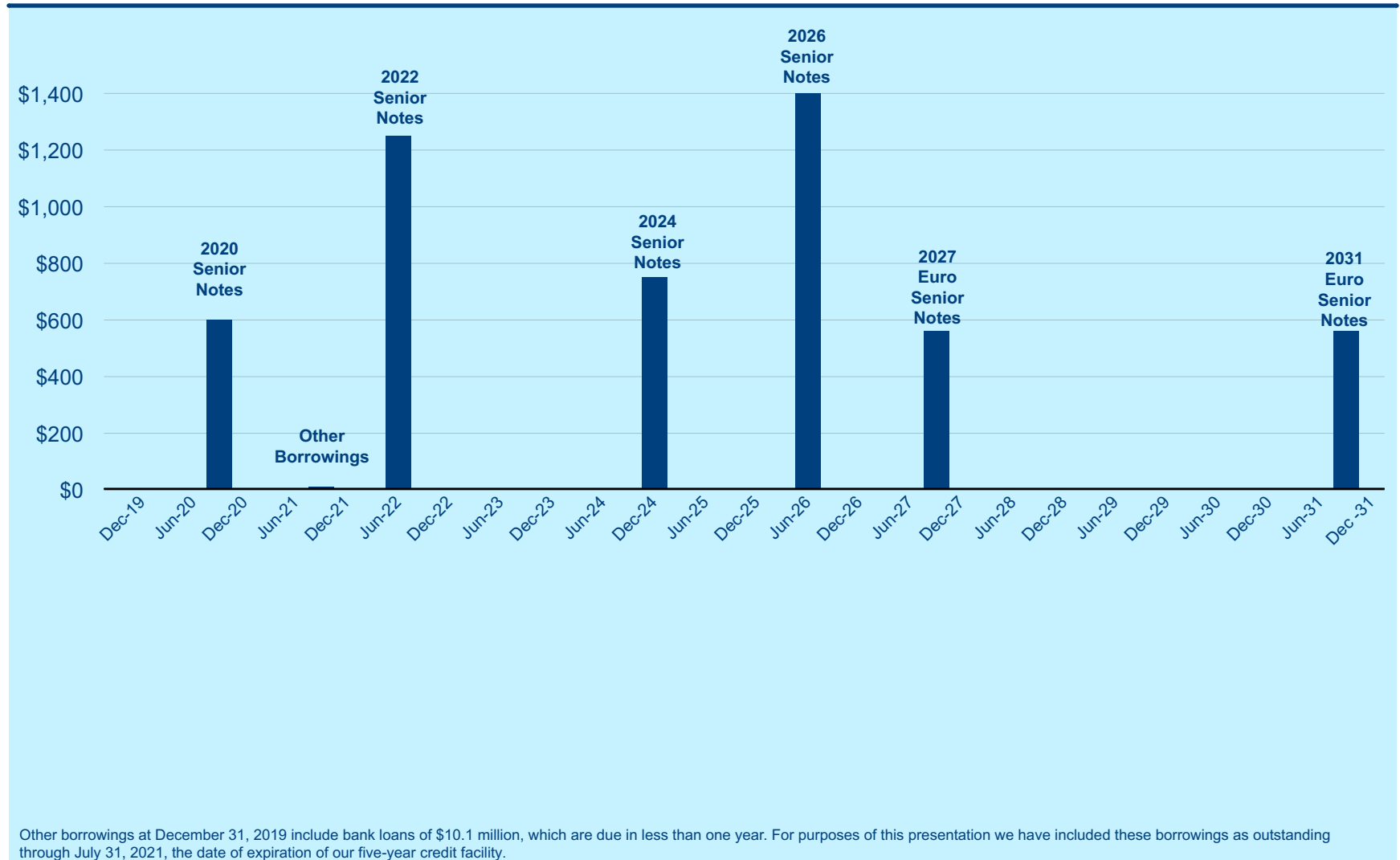
Supplemental Financial Information

Omnicom Debt Structure



The above chart sets forth Omnicom's debt outstanding at December 31, 2019. The amounts reflected above for the 2020, 2022, 2024 and 2026 Senior Notes and the 2027 and 2031 Euro Senior Notes represent the principal amount of these notes at maturity on August 15, 2020, May 1, 2022, November 1, 2024, April 15, 2026, July 8, 2027 and July 8, 2031, respectively.

Omnicom Debt Maturity Profile



2019 Acquisition Related Expenditures

	Full Year
<i>Acquisition of Businesses and Affiliates</i> ^(a)	\$ 10.0
<i>Acquisition of Additional Noncontrolling Interests</i> ^(b)	51.4
<i>Contingent Purchase Price Payments</i> ^(c)	64.6
Total Acquisition Expenditures ^(d)	\$ 126.0

(a) Includes acquisitions of a majority interest in agencies resulting in their consolidation, including additional interest in existing affiliate agencies resulting in majority ownership.

(b) Includes the acquisition of additional equity interests in already consolidated subsidiary agencies which are recorded to Equity – Noncontrolling Interest.

(c) Includes additional consideration paid for acquisitions completed in prior periods.

(d) Total Acquisition Expenditures figure is net of cash acquired.

Condensed Cash Flow

	Full Year	
	2019	2018
Net Income	\$ 1,435.9	\$ 1,440.5
<i>Share-Based Compensation</i>	72.5	70.5
<i>Depreciation and Amortization of Intangible Assets</i>	231.5	264.0
<i>Other Items to Reconcile to Net Cash Provided by Operating Activities, net</i>	(9.0)	16.3
<i>Net gain from dispositions of subsidiaries</i>	—	(178.4)
<i>Impact of 2017 Tax Act</i>	—	28.9
<i>Changes in Operating Capital</i>	125.1	80.5
Net Cash Provided by Operating Activities	1,856.0	1,722.3
<i>Capital Expenditures</i>	(102.2)	(195.7)
<i>Proceeds from Sale of Investments and other, net</i>	1.9	15.9
<i>Acquisition of Businesses and Interest in Affiliates, net of cash acquired</i>	(10.0)	(350.4)
<i>Proceeds from Dispositions of Subsidiaries</i>	79.4	308.4
Net Cash Used in Investing Activities	(30.9)	(221.8)
<i>Dividends paid to Common Shareholders</i>	(564.3)	(548.5)
<i>Dividends paid to Noncontrolling Interest Shareholders</i>	(97.3)	(134.9)
<i>Changes in Short-term Debt, net</i>	2.0	—
<i>Proceeds from Long-term Borrowings</i>	1,112.4	—
<i>Repayment of Long-term Debt</i>	(900.0)	—
<i>Stock Repurchases, net of Proceeds from Stock Plans</i>	(603.7)	(568.3)
<i>Acquisition of Additional Noncontrolling Interests</i>	(51.4)	(43.6)
<i>Payment of Contingent Purchase Price Obligations</i>	(64.6)	(99.0)
<i>Other Financing Activities, net</i>	(55.1)	(46.8)
Net Cash Used in Financing Activities	(1,222.0)	(1,441.1)
Effect of foreign exchange rate changes on cash and cash equivalents	50.2	(203.0)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 653.3	\$ (143.6)

Supplemental Information

	Fourth Quarter				Full Year			
	2019	% of Rev	2018	% of Rev	2019	% of Rev	2018	% of Rev
Revenue	\$ 4,141.2		\$ 4,086.7		\$14,953.7		\$15,290.2	
Operating expenses:								
<i>Salary and service costs</i>	3,034.7	73.3%	2,986.3	73.1%	10,972.2	73.4%	11,306.1	73.9%
<i>Occupancy and other costs</i>	306.4	7.4%	292.9	7.2%	1,221.8	8.2%	1,309.6	8.6%
<i>Net gain on dispositions of subsidiaries</i>	—		—		—		(178.4)	
Cost of services	3,341.1		3,279.2		12,194.0		12,437.3	
<i>Selling, general and administrative expenses</i>	97.5	2.4%	119.0	2.9%	405.9	2.7%	455.4	3.0%
<i>Depreciation and amortization</i>	56.2	1.4%	61.3	1.5%	231.5	1.5%	264.0	1.7%
Total operating expenses	3,494.8	84.4%	3,459.5	84.7%	12,831.4	85.8%	13,156.7	86.0%
Operating Profit	\$ 646.4		\$ 627.2		\$ 2,122.3		\$ 2,133.5	
Net Interest expense:								
<i>Interest expense</i>	52.0		68.3		244.3		266.4	
<i>Interest income</i>	13.4		15.2		60.3		57.2	
Net Interest Expense	\$ 38.6		\$ 53.1		\$ 184.0		\$ 209.2	

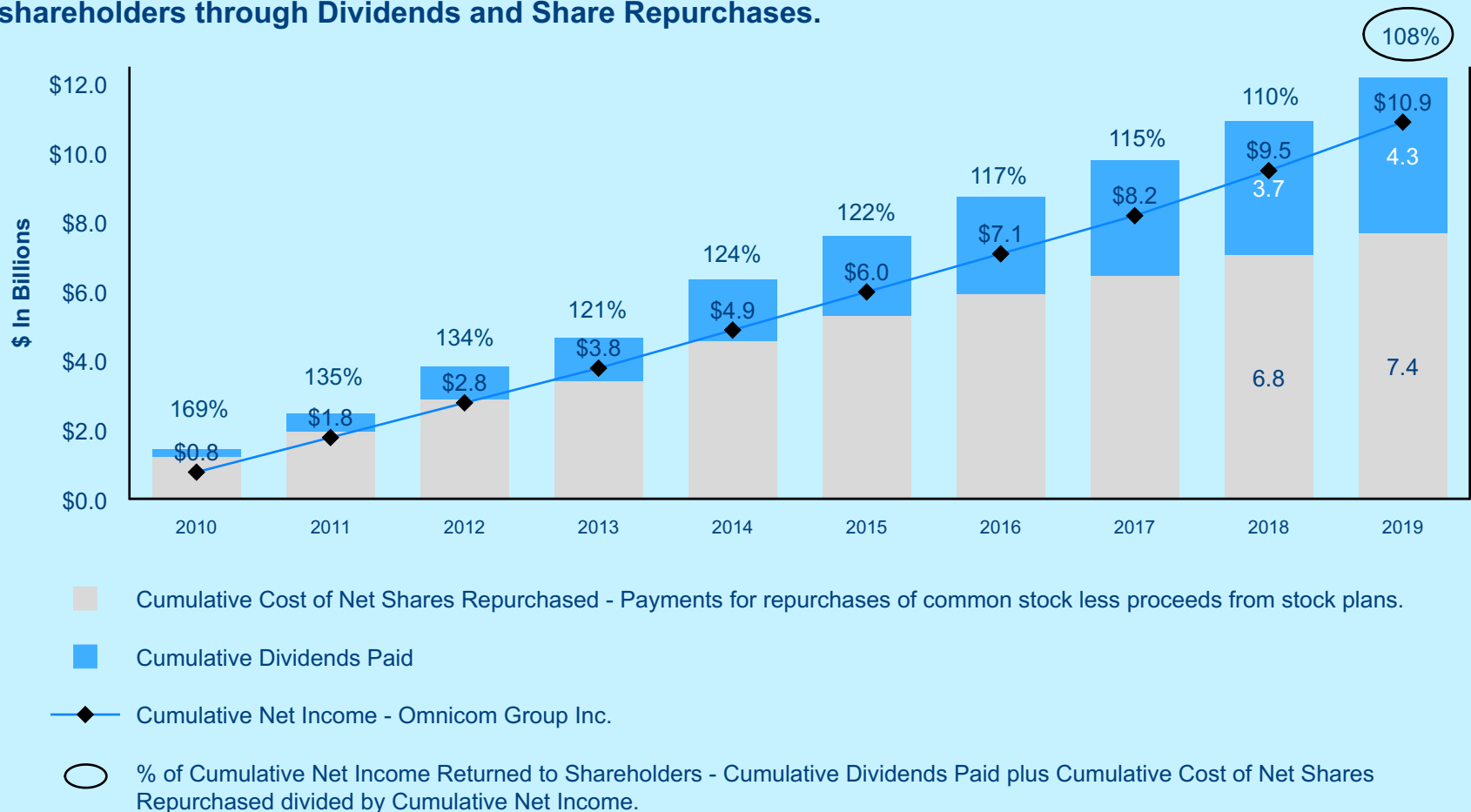
2018 Operating Expenses – Impact of Net Gain on Dispositions and Repositioning Actions

	Full Year 2018 - Increase / (Decrease)		
	Repositioning Actions	Net Gain on Dispositions	Total
Operating expenses:			
<i>Salary and service costs</i>	\$ 73.7	\$ —	\$ 73.7
<i>Occupancy and other costs</i>	73.5	—	73.5
<i>Net gain on dispositions of subsidiaries</i>	—	(178.4)	(178.4)
Cost of services	147.2	(178.4)	(31.2)
<i>Selling, general and administrative expenses</i>	2.2	—	2.2
<i>Depreciation and amortization</i>	—	—	—
Operating Expenses	\$ 149.4	\$ (178.4)	\$ (29.0)

The above table identifies the components of the net gain on the sales of subsidiaries and repositioning actions we took in the third quarter of 2018 on our operating expenses for the twelve months ended December 31, 2018.

Net Cash Returned to Shareholders through Dividends and Share Repurchases

From 2010 through December 31, 2019, Omnicom distributed 108% of Net Income to shareholders through Dividends and Share Repurchases.



2019 vs. 2018 Non-GAAP Financial Measures – EBITA

	Fourth Quarter		Full Year	
	2019	2018	2019	2018
Revenue	\$ 4,141.2	\$ 4,086.7	\$ 14,953.7	\$ 15,290.2
<i>Operating expenses ^(a)</i>	3,494.8	3,459.5	12,831.4	13,156.7
Operating Profit	646.4	627.2	2,122.3	2,133.5
<i>Operating Profit Margin %</i>	15.6 %	15.3 %	14.2 %	14.0 %
<i>Add back: Amortization of intangible assets</i>	19.8	22.8	83.8	102.5
EBITA ^(b)	\$ 666.2	\$ 650.0	\$ 2,206.1	\$ 2,236.0
<i>EBITA Margin % ^(c)</i>	16.1 %	15.9 %	14.8 %	14.6 %

(a) Additional information regarding our operating expenses can be found on page 21.

(b) EBITA is a non-GAAP financial performance measure. Please see page 30 for the definition of this measure and page 25 for the reconciliation of non-GAAP financial measures, which reconciles the EBITA figures presented above to Net Income - Omnicom Group Inc. for the periods presented above.

(c) EBITA Margin is a non-GAAP financial performance measure, which is calculated by dividing EBITA (please see page 30 for the definition of this measure) by revenue for the periods presented.

Reconciliation of Non-GAAP Financial Measures – EBITA and EBITDA

	Three Months Ended December 31		Full Year	
	2019	2018	2019	2018
Net Income - Omnicom Group Inc.	\$ 415.0	\$ 399.2	\$ 1,339.1	\$ 1,326.4
<i>Net Income Attributed to Noncontrolling Interests</i>	34.8	30.5	96.8	114.1
Net Income	449.8	429.7	1,435.9	1,440.5
<i>Income From Equity Method Investments</i>	0.8	5.3	2.0	8.9
<i>Income Tax Expense</i>	158.8	149.7	504.4	492.7
Income Before Income Taxes	607.8	574.1	1,938.3	1,924.3
<i>Net Interest Expense</i>	38.6	53.1	184.0	209.2
Operating Profit	646.4	627.2	2,122.3	2,133.5
<i>Amortization of Intangible Assets</i>	19.8	22.8	83.8	102.5
EBITA	666.2	650.0	2,206.1	2,236.0
<i>Depreciation</i>	36.4	38.5	147.7	161.5
EBITDA	<u>\$ 702.6</u>	<u>\$ 688.5</u>	<u>\$ 2,353.8</u>	<u>\$ 2,397.5</u>

The above table reconciles the GAAP financial measure of Net Income – Omnicom Group Inc. to the non-GAAP financial measures of EBITDA and EBITA for the periods presented.

EBITDA and EBITA, which are defined on page 30, are non-GAAP financial measures within the meaning of applicable SEC rules and regulations. Our credit facility defines EBITDA as earnings before deducting interest expense, income taxes, depreciation and amortization. Our credit facility uses EBITDA to measure our compliance with covenants, such as interest coverage and leverage ratios, as presented on page 14 of this presentation.

2018 Non-GAAP Financial Measures - Adjusted for the Net Gain on Third Quarter Dispositions, Repositioning Actions and Tax Reform Act Adjustments

	Full Year		
	2018	Non-GAAP Adjustments	2018 Non-GAAP Adjusted
Operating Profit ^(a)	\$ 2,133.5	\$ 29.0	\$ 2,104.5
<i>Net Interest Expense</i>	209.2	—	209.2
<i>Income Tax Expense ^(b)</i>	492.7	3.9	488.8
<i>Income from Equity Method Investments</i>	8.9	—	8.9
<i>Net Income Attributed to Noncontrolling Interests</i>	114.1	6.9	107.2
Net Income - Omnicom Group Inc.	<u>\$ 1,326.4</u>	<u>\$ 18.2</u>	<u>\$ 1,308.2</u>
Earnings per Share - Diluted	<u>\$ 5.83</u>	<u>\$ 0.08</u>	<u>\$ 5.75</u>
<i>Diluted Shares (millions)</i>	227.6	227.6	227.6

The above table presents the U.S. GAAP financial measures of Operating Profit, Net Income - Omnicom Group Inc. and Diluted net income per common share as reported, as well as the non-GAAP financial measures adjusted for the impact of the net gain recognized on dispositions of certain subsidiaries, certain repositioning actions and the revision of the provisional income tax expense amounts recorded in connection with the enactment of the 2017 Tax Act for the twelve months ended December 31, 2018. The amounts presented in the column "2018 Non-GAAP Adjusted" adjusts for these items from our results for the period presented, which are non-GAAP operating performance measures. We believe the amounts adjusted for the impact of these items are useful measures for investors to understand the impact these actions had on the comparability of our reported results. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP. Non-GAAP financial measures reported by us may not be comparable to similarly titled amounts reported by other companies. See page 29 for the reconciliation of GAAP financial measure of Net Income - Omnicom Group Inc.

- (a) During the third quarter of 2018, we disposed of certain subsidiaries and recorded a net gain, primarily related to the sale of Sellbytel, our outsourced sales, service and support company, took certain repositioning actions and recorded additional income tax expense related to the effects of the 2017 Tax Act, as described in footnote (b) on page 3. The net impact of these items increased operating profit by \$29.0 million, Net Income - Omnicom Group Inc. by \$18.2 million and Earnings per Share - Diluted by \$0.08 per common share for the twelve months ended December 31, 2018.
- (b) Income tax expense for the twelve months ended December 31, 2018 reflected a net increase of \$28.9 million related to an adjustment, recorded in the third quarter of 2018, to the provisional amounts recorded for the 2017 Tax Act.

Reconciliation of Non-GAAP Financial Measures

Net Cash Provided by Operating Activities

Operating Activities items excluded from Free Cash Flow:

Changes in Operating Capital

Free Cash Flow

Full Year	
2019	2018
\$ 1,856.0	\$ 1,722.3
125.1	80.5
\$ 1,730.9	\$ 1,641.8

Net Increase (Decrease) in Cash and Cash Equivalents

Cash Flow items excluded from Net Free Cash Flow:

Changes in Operating Capital

Proceeds from Dispositions of Subsidiaries

Changes in Short-term Debt, net

Proceeds from Long-term Borrowings

Repayment of Long-term Debt

Other Financing Activities, net

Effect of foreign exchange rate changes on cash and cash equivalents

Net Free Cash Flow

Full Year	
2019	2018
\$ 653.3	\$ (143.6)
125.1	80.5
79.4	308.4
2.0	—
1,112.4	—
(900.0)	—
(55.1)	(46.8)
50.2	(203.0)
\$ 239.3	\$ (282.7)

Reported Operating Profit

Effective Tax Rate for the applicable period

Income Taxes on Reported Operating Profit

After Tax Reported Operating Profit

Full Year	
2019	2018
2,122.3	2,133.5
26.0%	25.6%
551.8	546.2
\$ 1,570.5	\$ 1,587.3

Reconciliation of 2018 Non-GAAP Financial Measures - Operating Profit

	Full Year	
	2019	2018
Net Income - Omnicom Group Inc.	\$ 1,339.1	\$ 1,326.4
<i>Net Income Attributed to Noncontrolling Interests</i>	96.8	114.1
Net Income	1,435.9	1,440.5
<i>Income from Equity Method Investments</i>	2.0	8.9
<i>Income Tax Expense</i>	504.4	492.7
Income Before Tax	1,938.3	1,924.3
<i>Net Interest Expense</i>	184.0	209.2
Operating Profit	2,122.3	2,133.5
<i>Net gain from dispositions of subsidiaries</i>	—	(178.4)
<i>Repositioning actions</i>	—	149.4
Operating Profit, 2018 Non-GAAP Adjusted	\$ —	\$ 2,104.5

The above table reconciles the U.S. GAAP financial measure of Operating Profit to the non-GAAP financial measure of Operating Profit, 2018 Non-GAAP Adjusted, which adjusts for the impact of the net gain recognized on dispositions of certain subsidiaries and certain repositioning actions that occurred during the twelve months ended December 31, 2018. We believe that the amount adjusted for the impact of these items is a useful measure for investors to understand the impact these items had on the comparability of our reported results. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP. Non-GAAP financial measures reported by us may not be comparable to similarly titled amounts reported by other companies.

Reconciliation of 2018 Non-GAAP Financial Measures - Net Income - Omnicom Group Inc.

	Twelve Months Ended December 31, 2018
Net Income - Omnicom Group Inc., as reported	\$ 1,326.4
Net gain from dispositions before income tax expense	(178.4)
Repositioning actions - Incremental Severance and other items, before income tax expense	75.9
Repositioning actions - Lease terminations, before income tax expense	73.5
Income tax benefit on repositioning actions, less income tax expense on net gain from dispositions	(25.0)
Allocation of above items to non-controlling interests	6.9
Increase in income tax expense for revision of provisional estimates in connection with the adoption of 2017 Tax Act	28.9
Net Income - Omnicom Group Inc., 2018 Non-GAAP Adjusted	\$ 1,308.2

The above table reconciles the U.S. GAAP financial measure of Net Income - Omnicom Group Inc. to the non-GAAP financial measure of Net Income - Omnicom Group Inc., 2018 Non-GAAP Adjusted, which adjusts for the impact of the net gain recognized on dispositions of certain subsidiaries, certain repositioning actions and the revision of the provisional income tax expense amounts recorded in connection with the enactment of the 2017 Tax Act, for the twelve months ended December 31, 2018. We believe that the amount adjusted for the impact of these items is a useful measure for investors to understand the impact these items had on the comparability of our reported results. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP. Non-GAAP financial measures reported by us may not be comparable to similarly titled amounts reported by other companies.

Disclosure

The preceding materials have been prepared for use in the February 11, 2020 conference call on Omnicom's results of operations for the three and twelve months ended December 31, 2019. The call will be archived on the Internet at <http://investor.omnicomgroup.com/investor-relations/news-events-and-filings/>.

Forward-Looking Statements

Certain statements in this presentation constitute forward-looking statements, including statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, from time to time, Omnicom Group Inc. ("Omnicom" or the "Company") or its representatives have made, or may make, forward-looking statements, orally or in writing. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of the Company's management as well as assumptions made by, and information currently available to, the Company's management. Forward-looking statements may be accompanied by words such as "aim," "anticipate," "believe," "plan," "could," "should," "would," "estimate," "expect," "forecast," "future," "guidance," "intend," "may," "will," "possible," "potential," "predict," "project" or similar words, phrases or expressions. These forward-looking statements are subject to various risks and uncertainties, many of which are outside the Company's control. Therefore, you should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include: international, national or local economic conditions that could adversely affect the Company or its clients; losses on media purchases and production costs incurred on behalf of clients; reductions in client spending, a slowdown in client payments and a deterioration in the credit markets; the ability to attract new clients and retain existing clients in the manner anticipated; changes in client advertising, marketing and corporate communications requirements; failure to manage potential conflicts of interest between or among clients; unanticipated changes relating to competitive factors in the advertising, marketing and corporate communications industries; the ability to hire and retain key personnel; currency exchange rate fluctuations; reliance on information technology systems; changes in legislation or governmental regulations affecting the Company or its clients; risks associated with assumptions the Company makes in connection with its critical accounting estimates and legal proceedings; and the Company's international operations, which are subject to the risks of currency repatriation restrictions, social or political conditions and regulatory environment. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that may affect the Company's business, including those described in Item 1A, "Risk Factors" in Omnicom's most recent Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. Except as required under applicable law, the Company does not assume any obligation to update these forward-looking statements.

Non-GAAP Financial Measures

We present financial measures determined in accordance with generally accepted accounting principles in the United States ("GAAP") and adjustments to the GAAP presentation ("Non-GAAP"), which we believe are meaningful for understanding our performance. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Non-GAAP financial measures as reported by us may not be comparable to similarly titled amounts reported by other companies. We provide a reconciliation of non-GAAP measures to the comparable GAAP measures on pages 25 to 29.

The Non-GAAP measures used in this presentation include the following:

2018 Non-GAAP Adjusted results (which include Operating Profit, 2018 Non-GAAP Adjusted and Net Income - Omnicom Group Inc., 2018 Non-GAAP Adjusted), defined as our operating results adjusted for the impact of the net gain recognized on dispositions of certain subsidiaries, certain repositioning actions and the revision of the provisional income tax expense amounts recorded in connection with the enactment of the 2017 Tax Act. We believe that this is a meaningful operating performance measure to understand the impact these actions had on the comparability of our reported results.

Free Cash Flow, defined as net income plus depreciation, amortization, share based compensation expense plus/(less) other items to reconcile to net cash provided by operating activities. We believe Free Cash Flow is a useful measure of liquidity to evaluate our ability to generate excess cash from our operations.

Primary Uses of Cash, defined as dividends to common shareholders, dividends paid to non-controlling interest shareholders, capital expenditures, cash paid on acquisitions, payments for additional interest in controlled subsidiaries and stock repurchases, net of the proceeds from our stock plans, and excludes changes in operating capital and other investing and financing activities, including commercial paper issuances and redemptions used to fund working capital changes. We believe this liquidity measure is useful in identifying the significant uses of our cash.

Net Free Cash Flow, defined as Free Cash Flow less the Primary Uses of Cash. Net Free Cash Flow is one of the metrics used by us to assess our sources and uses of cash and was derived from our consolidated statements of cash flows. We believe that this liquidity measure is meaningful for understanding our primary sources and primary uses of that cash flow.

EBITDA, defined as operating profit before interest, taxes, depreciation and amortization of intangible assets. We believe EBITDA is a meaningful operating performance measure because the financial covenants in our credit facilities are based on EBITDA.

EBITA, defined as operating profit before interest, taxes and amortization of intangible assets and EBITA margin, defined as EBITA divided by revenue. We use EBITA and EBITA margin as additional operating performance measures, which excludes the non-cash amortization expense of intangible assets (primarily consisting of amortization arising from acquisitions). Accordingly, we believe it is a useful measure for investors to evaluate the performance of our business.

Net Debt, defined as total debt less cash, cash equivalents and short-term investments. We believe net debt, together with the comparable GAAP measures, reflects one of the liquidity metrics used by us to assess our cash management.

After Tax Reported Operating Profit, defined as reported operating profit less income taxes calculated using the effective tax rate for the applicable period. Management uses after tax operating profit as a measure of after tax operating performance as it excludes the after tax effects of financing and investing activities on results of operations.

Other Information

All dollar amounts are in millions except for per share figures on pages 2, 4, and 6 and the net cash returned to shareholders figures on page 23. The information contained in this document has not been audited, although some data has been derived from Omnicom's historical financial statements, including its audited financial statements. In addition, industry, operational and other non-financial data contained in this document have been derived from sources that we believe to be reliable, but we have not independently verified such information, and we do not, nor does any other person, assume responsibility for the accuracy or completeness of that information. Certain amounts in prior periods have been reclassified to conform to our current presentation. The inclusion of information in this presentation does not mean that such information is material or that disclosure of such information is required.