



Management Presentation

First Quarter 2015 Results

April 27, 2015

# FORWARD LOOKING STATEMENTS & OTHER INFORMATION

This presentation, including our “2015 Financial Outlook”, contains forward-looking statements. The Company’s representatives may also make forward-looking statements orally from time to time. Statements in this presentation that are not historical facts, including statements about the Company’s beliefs and expectations, earnings guidance, recent business and economic trends, potential acquisitions, estimates of amounts for deferred acquisition consideration and “put” option rights, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined in this section. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events, if any.

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 statements. Such risk factors include, but are not limited to, the following:

- risks associated with the Subpoena and ongoing SEC investigation outlined in the Q1 2015 press release;
- risks associated with severe effects of international, national and regional economic downturn;
- the Company’s ability to attract new clients and retain existing clients;
- the spending patterns and financial success of the Company’s clients;
- the Company’s ability to remain in compliance with its debt agreements and the Company’s ability to finance its contingent payment obligations when due and payable, including but not limited to those relating to “put” option rights and deferred acquisition consideration;
- the successful completion and integration of acquisitions which compliment and expand the Company’s business capabilities; and
- foreign currency fluctuations.

The Company’s business strategy includes ongoing efforts to engage in material acquisitions of ownership interests in entities in the marketing communications services industry. The Company intends to finance these acquisitions by using available cash from operations and through incurrence of bridge or other debt financing, either of which may increase the Company’s leverage ratios, or by issuing equity, which may have a dilutive impact on existing shareholders proportionate ownership. At any given time the Company may be engaged in a number of discussions that may result in one or more material acquisitions. These opportunities require confidentiality and may involve negotiations that require quick responses by the Company. Although there is uncertainty that any of these discussions will result in definitive agreements or the completion of any transactions, the announcement of any such transaction may lead to increased volatility in the trading price of the Company’s securities.

Investors should carefully consider these risk factors and the additional risk factors outlined in more detail in the Annual Report on Form 10-K under the caption “Risk Factors” and in the Company’s other SEC filings.



# FIRST QUARTER 2015 SUMMARY

- Solid quarter - results tracking in-line with expectations on all key metrics
- Industry leading organic revenue growth
- Year over year declines in profitability due to new business recognition timing, as expected
- \$27.9 million of net annualized new business revenue; robust pipeline
- Ongoing progress across key strategic growth initiatives such as International, Media Buying & Planning, and Data Science & Technology
- Maintaining 2015 financial guidance

# FIRST QUARTER 2015 FINANCIAL HIGHLIGHTS

- Industry-leading organic revenue growth of 7.4%
- Revenue increased 10.0% to \$302.2 million from \$274.9 million
- Net loss attributable to MDC Partners of (\$32.1) million versus (\$8.8) million a year ago
- Adjusted EBITDA of \$31.2 million versus \$35.8 million a year ago
- Adjusted EBITDA margin at 10.3% versus 13.0% a year ago
- Net new business wins of \$27.9 million
- Adjusted EBITDA Available for General Capital Purposes of \$10.3 million versus \$20.5 million a year ago
- Declared cash dividend of \$0.21 per share



# CONSOLIDATED REVENUE AND EARNINGS

(US\$ in millions, except percentages)

	<b>Three Months Ended March 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>% Change</b>
<b>Revenue</b>	\$ 302.2	\$ 274.9	10.0 %
<b>Operating Expenses</b>			
Cost of services sold	210.4	181.5	16.0 %
Office and general expenses	74.3	71.3	4.2 %
Depreciation and amortization	12.3	10.5	17.3 %
<b>Operating Profit (Loss)</b>	5.2	11.6	
Other, net	(18.0)	(6.6)	
Interest expense and finance charges	(15.1)	(12.8)	
Interest income	0.1	0.1	
Income tax benefit	(4.1)	(0.3)	
Equity in earnings of non-consolidated affiliates	0.4	0.1	
<b>Loss from Continuing Operations</b>	(23.4)	(7.2)	
Loss from discontinued operations, net of taxes	(6.3)	(0.3)	
<b>Net Loss</b>	(29.7)	(7.5)	
Net income attributable to non-controlling interests	(2.4)	(1.4)	
<b>Net Loss Attributable to MDC Partners Inc.</b>	<u>\$ (32.1)</u>	<u>\$ (8.8)</u>	

Note: Actuals may not foot due to rounding



# SUMMARY OF SEGMENT RESULTS - REVENUE

(US\$ in millions, except percentages)

	<b>Three Months Ended March 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>% Change</b>
<b>Revenue</b>			
Strategic Marketing Services	\$ 240.4	\$ 214.8	11.9 %
Performance Marketing Services	<u>61.8</u>	<u>60.1</u>	2.9 %
<b>Total Revenue</b>	<b>\$ 302.2</b>	<b>\$ 274.9</b>	<b>10.0 %</b>

- **Q1 2015 revenue of \$302.2 million represents 10.0% YoY growth**
- **Strength across disciplines and geographies including CRM, Media, Strategic Communications & PR, Advertising, Design, and International**

Note: Actuals may not foot due to rounding



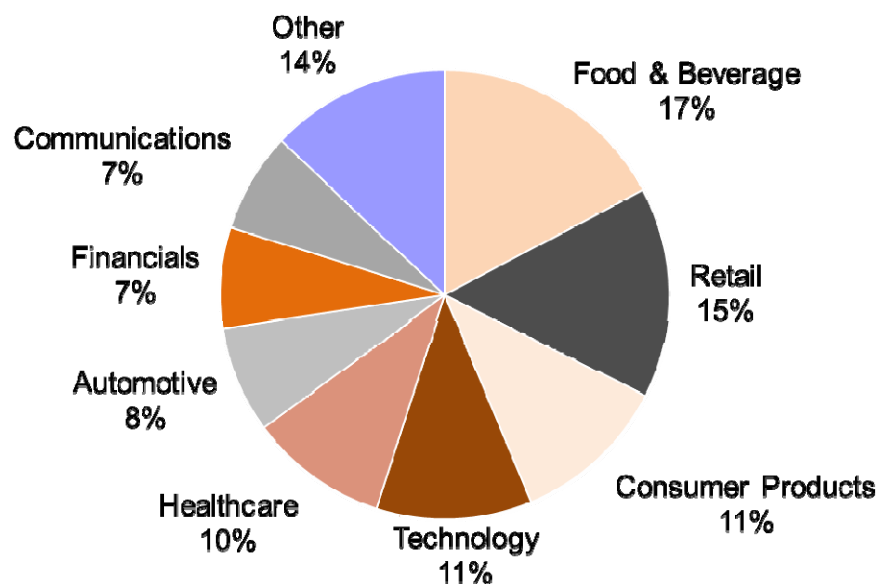
# ORGANIC REVENUE GROWTH BY SEGMENT

	Three Months Ended March 31,		
	Strategic Marketing Services	Performance Marketing Services	Weighted Average Total
Organic Growth	8.7%	2.7%	7.4%
Acquisition Growth	5.1%	2.3%	4.5%
Foreign Exchange Impact	<u>-1.9%</u>	<u>-2.1%</u>	<u>-2.0%</u>
Total	11.9%	2.9%	10.0%

- **Solid overall organic growth of +7.4% on top of +11.0% in Q1 2014 (ex Accent)**

# FIRST QUARTER REVENUE BY CLIENT INDUSTRY

## Q1 2015 Mix



## Year-over-Year Growth by Category

	Q1 2015
Above 10%	Healthcare, Food & Beverage, Consumer Products, Technology, Other
0% to 10%	Automotive, Communications
Below 0%	Retails, Financials

- **Fastest growing sectors: Healthcare, Food & Beverage, and Consumer Products**
- **Our top 10 clients declined to 24.3% of revenue in Q1 2015 from 25.0% a year ago, demonstrating the ongoing diversification of the business (largest ~5%)**

\* Excludes discontinued operations

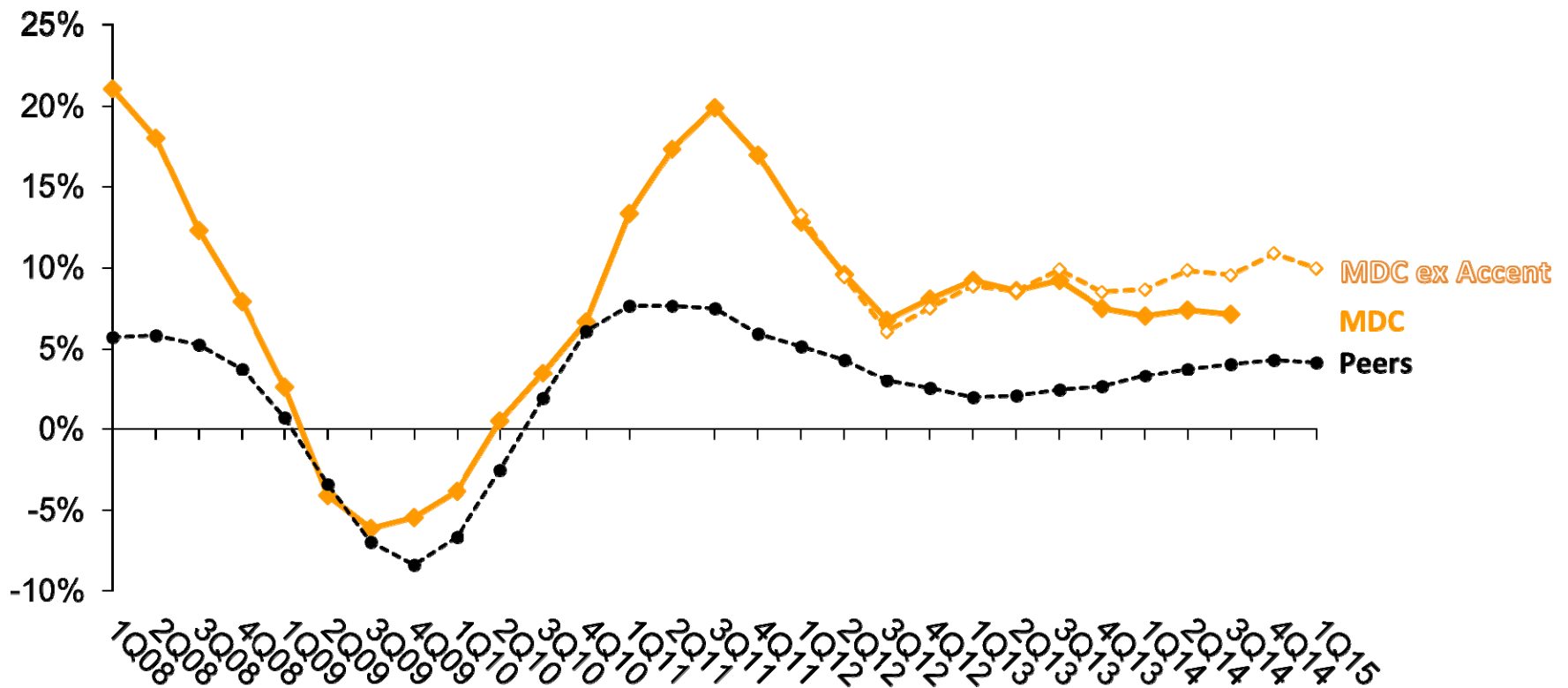
Note: Actuals may not foot due to rounding. Year-over-year category growth shown on a reported basis.





# ORGANIC GROWTH HIGHLIGHTS SUSTAINED MARKET SHARE GAINS

MDC Partners vs. Peers  
Trailing 12 Month Organic Revenue



Notes:

- (1) MDC organic growth excludes Accent in all periods.
- (2) Peers include Omnicom, IPG, WPP, Havas and Publicis. Havas has not yet reported Q1 2015 results and therefore consensus estimates for organic growth rates are used in place of actuals for the most recent quarter.

# SUMMARY OF SEGMENT RESULTS – ADJUSTED EBITDA

(US\$ in millions, except percentages)

	<b>Three Months Ended March 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>% Change</b>
<b>Adjusted EBITDA</b>			
Strategic Marketing Services	\$ 30.1	\$ 35.9	(16.3) %
<i>margin</i>	<i>12.5%</i>	<i>16.7%</i>	
Performance Marketing Services	8.1	8.5	(4.8) %
<i>margin</i>	<i>13.1%</i>	<i>14.2%</i>	
<b>Marketing Communications</b>	38.2	44.4	(14.1) %
<i>margin</i>	<i>12.6%</i>	<i>16.2%</i>	
<b>Corporate Expenses</b>	(12.8)	(8.6)	48.3 %
<b>Profit Distributions from Affiliates</b>	(0.0)	(0.0)	(81.4) %
<b>Other non-recurring items, net</b>	5.8	0.0	NM %
<b>Total Adjusted EBITDA</b>	<b>\$ 31.2</b>	<b>\$ 35.8</b>	<b>(12.9) %</b>
<i>margin</i>	<i>10.3%</i>	<i>13.0%</i>	

- **Q1 Adjusted EBITDA down on a year over year basis, as expected, due in part to timing related to revenue recognition for recent new business**

\* Other non-recurring items includes ongoing legal fees and other related expenses relating to the SEC inquiry. Additional costs may be incurred in future periods related to these matters.

Note: Actuals may not foot due to rounding



# ADJUSTED EBITDA AVAILABLE FOR GENERAL CAPITAL PURPOSES

(US\$ in millions)

	<b>Three Months Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
Adjusted EBITDA (1)	\$31.2	\$35.8
Net Income Attributable to Noncontrolling Interests	(2.4)	(1.4)
Capital Expenditures, net (2)	(5.3)	(2.5)
Cash Taxes	(0.5)	(0.1)
Cash Interest, net & Other (3)	<u>(12.7)</u>	<u>(11.3)</u>
<b>Adjusted EBITDA Available for General Capital Purposes (4)</b>	<b>\$10.3</b>	<b>\$20.5</b>

- (1) Adjusted EBITDA is a non GAAP measure. See schedules 2 through 3 of the Q1 2015 press release for a reconciliation of Net Income (loss) to Adjusted EBITDA.
- (2) Capital Expenditures, net represents capital expenditures net of landlord reimbursements.
- (3) Cash Interest, net & Other represents the quarterly accrual of cash interest under our Senior Notes.
- (4) Adjusted EBITDA Available for General Capital Purposes is a non-GAAP measure, and represents funds available for repayment of debt, acquisitions, deferred acquisition consideration, dividends, and other general corporate initiatives.



# AVAILABLE LIQUIDITY

(US\$ in millions)

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
Commitment Under Facility	<u>\$325.0</u>	<u>\$325.0</u>
Drawn	19.6	-
Undrawn Letters of Credit	<u>4.8</u>	<u>4.8</u>
<b>Funds Available Under Facility</b>	<b>\$300.6</b>	<b>\$320.2</b>
Total Cash & Cash Equivalents	<u>17.6</u>	<u>119.8</u>
<b>Liquidity</b>	<b>\$318.2</b>	<b>\$440.0</b>

# 2015 FINANCIAL OUTLOOK

	2014 Actuals	2015 Guidance	Implied Year over Year Change
<b>Revenue</b>	\$1.22 billion	\$1.300 to \$1.330 billion	+6.5% to +8.5% organic: +7% to +9% acquisitions: +150bp foreign currency: -200bp
<b>Adjusted EBITDA</b>	\$179.4 million	\$195 to \$205 million	+8.7% to +14.3%
<i>Implied Adjusted EBITDA Margin</i>	<i>14.7%</i>	<i>15.0% to 15.4%</i>	<i>+35 to +75 basis points</i>
<b>Adjusted EBITDA Available for General Capital Purposes</b>	\$98.8 million	\$109 to \$119 million	+10.3% to +20.4%

- **Assumes unfavorable FX rate movements to negatively impact 2015 revenue by 200 basis points and reported Adjusted EBITDA by approximately 3%**

# APPENDIX

# TEMPORAL PUT OBLIGATIONS AND IMPACT ON EBITDA

<b>Estimated Put Impact at March 31, 2015</b>				
<b>(US\$ in millions)</b>	<b>Payment Consideration</b>			<b>Incremental</b>
	<b>Cash</b>	<b>Stock</b>	<b>Total</b>	<b>EBITDA in Period</b>
<b>2015</b>	2.3	0.0	2.3	3.1
<b>2016</b>	3.5	0.1	3.6	0.0
<b>2017</b>	3.9	0.0	3.9	1.4
<b>2018</b>	5.0	0.0	5.0	1.3
<b>Thereafter</b>	6.8	0.0	6.8	0.0
<b>Total</b>	\$21.5	\$0.1	\$21.6	\$5.8

**Effective Multiple 3.7x**



# SUMMARY OF CASH FLOW

(US\$ in millions)	Three Months Ended March 31,	
	2015	2014
Cash flows used in continuing operating activities	(\$118.6)	(\$40.0)
Discontinued operations	<u>(1.3)</u>	<u>0.7</u>
<b>Net cash used in operating activities</b>	<b>(\$119.8)</b>	<b>(\$39.3)</b>
Cash flows used in continuing investing activities	(\$8.9)	(\$44.2)
Discontinued operations	<u>(0.2)</u>	<u>(0.5)</u>
<b>Net cash used in investing activities</b>	<b>(\$9.1)</b>	<b>(\$44.7)</b>
Cash flows provided by (used in) continuing financing activities	\$26.1	(\$0.5)
Discontinued operations	<u>(0.0)</u>	<u>(0.0)</u>
<b>Net cash provided by (used in) financing activities</b>	<b>\$26.0</b>	<b>(\$0.5)</b>
Effect of exchange rate changes on cash and cash equivalents	\$0.7	\$0.0
<b>Net increase in cash and cash equivalents</b>	<b>(\$102.2)</b>	<b>(\$84.5)</b>

Note: Actuals may not foot due to rounding





## DEFINITION OF NON-GAAP MEASURES

**Adjusted EBITDA:** Adjusted EBITDA is a non-GAAP measure, that represents operating profit plus depreciation and amortization, stock-based compensation, acquisition deal costs, deferred acquisition consideration adjustments, profit distributions from affiliates and other non-recurring items.

**Organic Growth:** Organic revenue growth is a non-GAAP measure that refers to growth in revenues from sources other than acquisitions or foreign exchange impacts.

**Adjusted EBITDA Available for General Capital Purposes:** Adjusted EBITDA Available for General Capital Purposes is a non-GAAP measure, and represents funds available for repayment of debt, acquisitions, deferred acquisition consideration, dividends, and other general corporate initiatives.

**Net Bank Debt or Net Debt:** Debt due pertaining to the revolving credit facility plus debt pertaining to the Senior Notes less total cash and cash equivalents.

Note: A reconciliation of Non-GAAP to US GAAP reported results has been provided by the Company in the tables included in the earnings release issued on April 27, 2015.

# MDC Partners

Where Great Talent Lives

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