



Management Presentation

Third Quarter 2019 Results

November 5, 2019

FORWARD LOOKING STATEMENTS & OTHER INFORMATION

This presentation contains forward-looking statements. Statements in this presentation that are not historical facts, including without limitation statements about the Company's beliefs and expectations, earnings guidance, recent business and economic trends, potential acquisitions, and estimates of amounts for redeemable noncontrolling interests and deferred acquisition consideration, constitute forward-looking statements. Words such as "estimates", "expects", "contemplates", "will", "anticipates", "projects", "plans", "intends", "believes", "forecasts", "may", "should", and variations of such words or similar expressions 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 below. 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 severe effects of international, national and regional economic conditions;
- 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 retain and attract key employees;
- 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 redeemable noncontrolling interests and deferred acquisition consideration;
- the successful completion and integration of acquisitions which complement and expand the Company's business capabilities, and the potential impact of one or more asset sales; and
- foreign currency fluctuations.

Investors should carefully consider these risk factors and the additional risk factors outlined in more detail in the Company's 2018 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") under the caption "Risk Factors", and in the Company's other SEC filings.



SUMMARY

- Net new business of \$30.5 million as agencies capitalized on the strengthening of MDC's pipeline
- Aided by ongoing cost-reduction initiatives, MDC delivers year-over-year growth of 5.9% in 3Q 2019 YTD Adjusted EBITDA and 120 basis point improvement in Adjusted EBITDA Margin in YTD to 11.3%
- 3Q 2019 revenue declines driven principally by a combination of softness in the Media segment and the healthcare sector, as well as cycling through earlier losses at one of the Global Integrated agencies
- Specialist Communications continues to capture market share with 8% growth
- MDC executing against two year strategic plan, designed to organize MDC's offerings, capitalize on its strengths and enhance Company's go-to-market strategy, to enable a return to revenue growth and consistent financial returns
- FY 2019 Outlook - Expects to complete FY2019 with approximately \$175 million to \$185 million of Covenant EBITDA, consistent with prior guidance; Revises FY2019 Organic Revenue outlook to 3 - 5% decline.



THIRD QUARTER 2019 FINANCIAL HIGHLIGHTS

- Revenue of \$342.9 million versus \$375.8 million in the prior year period
- Organic revenue declined by 7.5% versus the prior year period, including a 101 basis point benefit from billable pass through costs
- Net loss attributable to MDC Partners Inc. common shareholders of \$5.1 million in the third quarter of 2019 versus \$18.2 million in the prior year period. Net loss attributable to MDC Partners common shareholders for the last twelve months (LTM) of \$90.5 million as of September 30, 2019 versus \$103.7 million as of June 30, 2019
- Adjusted EBITDA of \$49.2 million versus \$59.8 million in the prior year period, a decrease of 17.8%
- Adjusted EBITDA Margin of 14.3% vs. 15.9% in prior year, a decline of 160 basis points
- Covenant EBITDA (LTM) of \$178.9 million for the third quarter of 2019 versus \$187.9 million for the second quarter of 2019, a decrease of 4.8%
- Net new business wins of \$30.5 million

Note: See appendix for definitions of non-GAAP measures



NINE MONTHS 2019 FINANCIAL HIGHLIGHTS

- Revenue of \$1.03 billion versus \$1.08 billion for the prior year period
- Organic revenue declined 3.7% versus the prior year period, including a 179 basis point benefit from billable pass through costs
- Net loss attributable to MDC Partners Inc. common shareholders of \$6.5 million for the first nine months of 2019 versus \$48.3 million for the prior year period
- Adjusted EBITDA of \$117.1 million versus \$110.6 million for the prior year period, an increase of 5.9%
- Adjusted EBITDA Margin improvement of 110 basis points to 11.3% versus 10.2% for the prior year period
- Net New Business wins of \$56.4 million, including \$5 million reduction to Q2 2019 Net New Business

Note: See appendix for definitions of non-GAAP measures



CONSOLIDATED REVENUE AND EARNINGS

(US\$ in millions, except percentages)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
Revenue:	\$ 342.9	\$ 375.8	(8.8) %	\$ 1,033.8	\$ 1,082.5	(4.5) %
Operating Expenses:						
Cost of services sold	222.4	238.7	(6.8) %	700.4	735.1	(4.7) %
Office and general expenses	79.7	102.4	(22.1) %	234.1	270.1	(13.3) %
Depreciation and amortization	9.4	11.1	(15.9) %	28.9	35.2	(18.0) %
Goodwill and other asset impairment	1.9	21.0	(90.7) %	1.9	23.3	(91.7) %
Operating income	29.4	2.6	NM	68.5	18.8	NM
Interest expense and finance charges, net	(16.1)	(17.1)		(49.3)	(50.0)	
Foreign exchange gain (loss)	(4.0)	3.3		4.4	(9.9)	
Other, net	(0.4)	0.2		(4.6)	1.2	
Income tax expense (benefit)	3.5	3.0		6.3	(3.4)	
Equity in earnings of non-consolidated affiliates	0.1	0.3		0.4	0.4	
Net income (loss)	5.5	(13.7)		13.2	(36.2)	
Net income attributable to the noncontrolling interest	(7.3)	(2.5)		(10.7)	(5.9)	
Accretion on and net income allocated to convertible preference shares	(3.3)	(2.1)		(8.9)	(6.2)	
Net loss attributable to MDC Partners Inc. common shareholders	\$ (5.1)	\$ (18.2)		\$ (6.5)	\$ (48.3)	



REVENUE SUMMARY

(US\$ in millions, except percentages)

	Three Months Ended		Nine Months Ended	
	Revenue \$	% Change	Revenue \$	% Change
September 30, 2018	\$ 375.8		\$ 1,082.5	
Organic revenue growth (decline)	(28.1)	(7.5)%	(40.2)	(3.7)%
Non-GAAP acquisitions (dispositions), net	(2.4)	(0.6)%	3.2	0.3%
Foreign exchange impact	(2.4)	(0.6)%	(11.7)	(1.1)%
Total Change	(32.9)	(8.8)%	(48.7)	(4.5)%
September 30, 2019	\$ 342.9		\$ 1,033.8	

Organic revenue decline of 7.5% in the third quarter of 2019 versus the prior year period, including a 101 basis points benefit from increased billable pass-through costs incurred on clients' behalf from certain of our partner firms acting as principal.



REVENUE BY GEOGRAPHY AND SEGMENT ⁽¹⁾

(US\$ in millions, except percentages)

	Three Months Ended September 30, 2019			Nine Months Ended September 30, 2019		
	Total Revenue	Total Growth	Organic Revenue Growth (Decline)	Total Revenue	Total Growth	Organic Revenue Growth (Decline)
United States	\$ 271.7	(8.4)%	(8.5)%	\$ 819.3	(3.4)%	(4.8)%
Canada	<u>25.9</u>	<u>(19.4)%</u>	<u>(7.0)%</u>	<u>72.8</u>	<u>(20.5)%</u>	<u>(5.6)%</u>
North America	297.6	(9.5)%	(8.3)%	892.1	(5.1)%	(4.9)%
Other	<u>45.3</u>	<u>(3.8)%</u>	<u>(1.5)%</u>	<u>141.6</u>	<u>(0.7)%</u>	<u>3.8%</u>
Total	\$ 342.9	(8.8)%	(7.5)%	\$ 1,033.8	(4.5)%	(3.7)%
Global Integrated Agencies	\$ 145.9	(7.3)%	(6.1)%	\$ 430.0	(3.4)%	(1.5)%
Domestic Creative Agencies	57.6	(2.6)%	(2.3)%	176.7	(3.7)%	(3.2)%
Specialist Communications	42.1	8.4%	5.7%	128.2	8.7%	6.6%
Media Services	21.2	(28.3)%	(28.3)%	75.8	(16.6)%	(16.6)%
All Other	<u>76.1</u>	<u>(16.3)%</u>	<u>(12.2)%</u>	<u>223.1</u>	<u>(9.0)%</u>	<u>(8.3)%</u>
Total	\$ 342.9	(8.8)%	(7.5)%	\$ 1,033.8	(4.5)%	(3.7)%

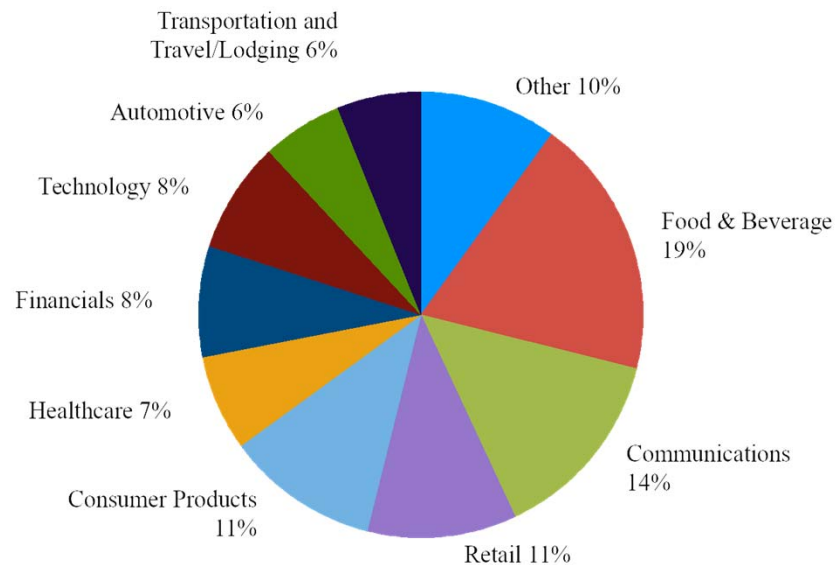
¹ Due to changes in the composition of certain business and the Company's internal management and reporting structure during 2019, reportable segment results for the 2018 periods presented have been recast to reflect the reclassification of certain businesses between segments. The changes were as follows: 1) Doner, previously within the Global Integrated Agencies category is now aggregated into the Domestic Creative Agencies reportable segment, 2) Yes and Co, previously within the Media Services category, was included within the Domestic Creative Agencies reportable segment, 3) HL Design and Redscout, previously within Specialist Communications and All Other category, respectively are included in Yes & Company, and 4) Varick Media, previously within the Yes & Company operating segment is included within MDC Media Partners.

Note: Actuals may not foot due to rounding



REVENUE BY CLIENT INDUSTRY

Q3 2019 Mix



Year-over-Year Growth by Category

	<u>Q3 2019 QTD</u>	<u>Q3 2019 YTD</u>
Above 10%	–	Technology, Transportation
0% to 10%	Communications, Technology, Transportation	Consumer Products, Communications
Below 0%	Food and Beverage, Retail, Consumer Products, Automotive, Healthcare, Financials, Other	Food and Beverage, Retail, Automotive, Healthcare, Financials, Other

Top 10 clients decreased to 23.2% of revenue versus 24.9% a year ago (largest <4.9%)



ADJUSTED EBITDA ⁽¹⁾

(US\$ in millions, except percentages)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
Advertising and Communications Group	\$ 56.5	\$ 68.2	(17.2) %	\$ 137.6	\$ 140.9	(2.3) %
Global Integrated Agencies	31.2	38.4	(18.8) %	66.0	59.1	11.7 %
Domestic Creative Agencies	9.2	4.7	95.7 %	27.2	17.3	57.2 %
Specialist Communications	7.3	6.3	15.9 %	21.3	19.2	10.9 %
Media Services	(0.9)	1.6	(156.3) %	(1.0)	2.3	(143.5) %
All Other	9.8	17.2	(43.0) %	24.0	43.0	(44.2) %
Corporate Group	(7.3)	(8.4)	(13.1) %	(20.5)	(30.3)	(32.3) %
Adjusted EBITDA ⁽²⁾	\$ 49.2	\$ 59.8	(17.7) %	\$ 117.1	\$ 110.6	5.9 %
<i>margin</i>	<i>14.3%</i>	<i>15.9%</i>		<i>11.3%</i>	<i>10.2%</i>	

¹ Due to changes in the composition of certain business and the Company's internal management and reporting structure during 2019, reportable segment results for the 2018 periods presented have been recast to reflect the reclassification of certain businesses between segments. The changes were as follows: 1) Doner, previously within the Global Integrated Agencies category is now aggregated into the Domestic Creative Agencies reportable segment, 2) Yes and Co, previously within the Media Services category, was included within the Domestic Creative Agencies reportable segment, 3) HL Design and Redscout, previously within Specialist Communications and All Other category, respectively are included in Yes & Company, and 4) Varick Media, previously within the Yes & Company operating segment is included within MDC Media Partners.

² Adjusted EBITDA is a non-GAAP measure. See appendix for the definition.

Note: Actuals may not foot due to rounding.



COVENANT EBITDA

(US\$ in millions)	2018		2019			Covenant EBITDA (LTM) (1)	
	Q3	Q4	Q1	Q2	Q3	Q2-2019 - LTM	Q3-2019 - LTM
Net income (loss) attributable to MDC Partners Inc. common shareholders	\$ (18.2)	\$ (83.7)	\$ (2.5)	\$ 0.8	\$ (5.1)	\$ (103.7)	\$ (90.5)
Adjustments to reconcile to operating profit (loss):							
Accretion on and net income allocated to convertible preference shares	2.1	2.2	2.4	3.5	3.3	10.2	11.4
Net income attributable to the noncontrolling interests	2.5	5.9	0.4	3.0	7.3	11.8	16.6
Equity in earnings (losses) of non-consolidated affiliates	(0.3)	0.3	(0.1)	(0.2)	(0.1)	(0.3)	(0.1)
Income tax expense	3.0	35.0	0.7	2.1	3.5	40.8	41.3
Interest expense and finance charges, net	17.1	17.1	16.8	16.4	16.1	67.3	66.4
Foreign exchange loss (gain)	(3.3)	13.3	(5.4)	(2.9)	4.0	1.7	8.9
Other income, net	(0.2)	1.0	3.4	0.7	0.4	4.9	5.6
Operating income (loss)	2.6	(9.1)	15.7	23.4	29.4	32.7	59.5
Adjustments to reconcile to Adjusted EBITDA:							
Depreciation and amortization	11.1	11.0	8.8	10.7	9.4	41.6	39.9
Goodwill and other asset impairment	21.0	56.7	—	—	1.9	77.7	58.7
Stock-based compensation	6.2	1.5	3.0	3.6	6.0	14.4	14.2
Deferred acquisition consideration adjustments	11.0	(9.0)	(7.6)	2.1	1.9	(3.5)	(12.6)
Distributions from non- consolidated affiliates	0.5	0.3	—	—	(0.2)	0.8	0.1
Other items, net ⁽²⁾	7.3	0.5	1.6	6.6	0.7	16.0	9.4
Adjusted EBITDA	59.8	52.0	21.5	46.4	49.2	179.7	169.1
Adjustments to reconcile to Covenant EBITDA:							
Proforma acquisitions/dispositions	(1.2)	(2.1)	(2.0)	—	—	(5.3)	(4.1)
Severance due to eliminated positions	1.2	3.6	1.5	2.3	2.0	8.7	9.5
Other adjustments, net ⁽³⁾	0.6	1.9	1.4	1.0	0.2	4.9	4.5
	\$ 60.4	\$ 55.3	\$ 22.5	\$ 49.8	\$ 51.4	\$ 187.9	\$ 178.9

(1) Covenant EBITDA is a measure that includes pro forma adjustments for acquisitions, one-time charges, and other adjustments, as defined in the Credit Agreement. Covenant EBITDA is calculated as the aggregate of operating results for the rolling last twelve months (LTM). Each quarter is presented to provide the information utilized to calculate Covenant EBITDA. Historical Covenant EBITDA may be recasted in the current period for any proforma adjustments related to acquisitions and/or dispositions in the current period.

(2) Other items, net includes items such as severance expense and other restructuring expenses and costs associated with the company's strategic review process.

(3) Other adjustments, net primarily includes one time professional fees and costs associated with real estate consolidation.

Note: Actuals may not foot due to rounding.



SUMMARY OF CASH FLOW

(US\$ in millions)

	Nine Months Ended September 30,	
	2019	2018
Net cash used in operating activities	\$ (5.8)	\$ (31.7)
Net cash provided by (used in) investing activities	3.3	(48.4)
Net cash provided by (used in) financing activities	(2.2)	59.1
Effect of exchange rate changes on cash, cash equivalents, and cash held in trusts	—	(0.2)
Net decrease in cash, cash equivalents, and cash held in trusts including cash classified within assets held for sale	(4.7)	(21.1)
Change in cash and cash equivalents held in trusts classified within held for sale	(3.3)	—
Change in cash and cash equivalents classified within assets held for sale	4.4	—
Net decrease in cash and cash equivalents	\$ (3.6)	\$ (21.1)



2019 FINANCIAL OUTLOOK

2019 Outlook Commentary

Organic Revenue Growth	We expect an approximate 3 to 5% decline in organic revenue.
Foreign Exchange Impact, net	Assuming prevailing currency rates, the net impact of foreign exchange is expected to decrease revenue by approximately 1%.
Impact of Non-GAAP Acquisitions (Dispositions), net	Our current expectations are that the impact of acquisitions, net of disposition activity, will decrease revenue by approximately 90 basis points.
Covenant EBITDA and Adjustments	The Company expects to complete fiscal year 2019 with approximately \$175 million to \$185 million of Covenant EBITDA. The Company has applied certain pro forma and other adjustments, as expressly provided under the credit facility to derive its 2019E Covenant EBITDA forecast.

Note: The Company has excluded a quantitative reconciliation with respect to the Company's 2019 guidance under the "unreasonable efforts" exception in Item 10(e)(1)(i)(B) of Regulation S-K.
Note: See appendix for definitions of non-GAAP measures



APPENDIX

REVENUE TRENDING SCHEDULE

(US\$ in thousands, except percentages)

	2017 (ASC 605)					2018 (ASC 606)					2019			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Revenue														
United States	\$ 274,682	\$ 304,463	\$ 289,701	\$ 303,517	\$ 1,172,364	\$ 256,524	\$ 295,268	\$ 296,544	\$ 304,856	\$ 1,153,192	\$ 263,017	\$ 284,659	\$ 271,671	\$ 819,347
Canada	<u>26,470</u>	<u>30,583</u>	<u>31,418</u>	<u>34,622</u>	<u>123,093</u>	<u>26,379</u>	<u>33,086</u>	<u>32,132</u>	<u>32,403</u>	<u>124,000</u>	<u>22,378</u>	<u>24,564</u>	<u>25,895</u>	<u>72,837</u>
North America	301,152	335,046	321,119	338,140	1,295,457	282,903	328,354	328,676	337,259	1,277,192	285,395	309,223	297,566	892,184
Other	43,548	55,487	54,680	64,608	218,323	44,065	51,389	47,154	56,403	199,011	43,396	52,907	45,341	141,644
Total	\$ 344,700	\$ 390,533	\$ 375,799	\$ 402,747	\$ 1,513,779	\$ 326,968	\$ 379,743	\$ 375,830	\$ 393,662	\$ 1,476,203	\$ 328,791	\$ 362,130	\$ 342,907	\$ 1,033,828
% of Revenue														
United States	79.7%	78.0%	77.1%	75.4%	77.4%	78.5%	77.8%	79.0%	77.4%	78.1%	80.0%	78.6%	79.2%	79.3%
Canada	<u>7.7%</u>	<u>7.8%</u>	<u>8.4%</u>	<u>8.6%</u>	<u>8.1%</u>	<u>8.1%</u>	<u>8.7%</u>	<u>8.5%</u>	<u>8.2%</u>	<u>8.4%</u>	<u>6.8%</u>	<u>6.8%</u>	<u>7.6%</u>	<u>7.0%</u>
North America	87.4%	85.8%	85.4%	84.0%	85.6%	86.6%	86.5%	87.5%	85.7%	86.5%	86.8%	85.4%	86.8%	86.3%
Other	<u>12.6%</u>	<u>14.2%</u>	<u>14.6%</u>	<u>16.0%</u>	<u>14.4%</u>	<u>13.4%</u>	<u>13.5%</u>	<u>12.5%</u>	<u>14.3%</u>	<u>13.5%</u>	<u>13.2%</u>	<u>14.6%</u>	<u>13.2%</u>	<u>13.7%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Growth %														
United States	8.9%	11.5%	5.5%	(0.2)%	6.2%	(6.6)%	(3.0)%	2.4%	0.4%	(1.6)%	2.5%	(3.6)%	(8.4)%	(3.4)%
Canada	<u>(6.8)%</u>	<u>(9.0)%</u>	<u>3.9%</u>	<u>8.7%</u>	<u>(0.8)%</u>	<u>(0.3)%</u>	<u>8.2%</u>	<u>2.3%</u>	<u>(6.4)%</u>	<u>0.7%</u>	<u>(15.2)%</u>	<u>(25.8)%</u>	<u>(19.4)%</u>	<u>(20.5)%</u>
North America	7.3%	9.3%	5.4%	0.7%	5.5%	(6.1)%	(2.0)%	2.4%	(0.3)%	(1.4)%	0.9%	(5.8)%	(9.5)%	(5.1)%
Other	<u>53.1%</u>	<u>82.3%</u>	<u>22.8%</u>	<u>18.4%</u>	<u>38.2%</u>	<u>1.2%</u>	<u>(7.4)%</u>	<u>(13.8)%</u>	<u>(12.7)%</u>	<u>(8.8)%</u>	<u>(1.5)%</u>	<u>3.0%</u>	<u>(3.8)%</u>	<u>(0.7)%</u>
Total	11.5%	15.9%	7.6%	3.2%	9.2%	(5.1)%	(2.8)%	—%	(2.3)%	(2.5)%	0.6%	(4.6)%	(8.8)%	(4.5)%
Organic Revenue Growth (Decline) %														
United States	8.9%	11.5%	6.0%	1.3%	6.7%	(1.8)%	(2.1)%	0.7%	(1.2)%	(1.1)%	(1.7)%	(3.8)%	(8.5)%	(4.8)%
Canada	<u>(7.6)%</u>	<u>(2.5)%</u>	<u>0.2%</u>	<u>3.8%</u>	<u>(1.4)%</u>	<u>(1.1)%</u>	<u>(7.6)%</u>	<u>7.5%</u>	<u>0.5%</u>	<u>(0.1)%</u>	<u>(3.8)%</u>	<u>(5.6)%</u>	<u>(7.0)%</u>	<u>(5.6)%</u>
North America	7.2%	10.0%	5.4%	1.5%	5.9%	(1.8)%	(2.6)%	1.4%	(1.0)%	(1.0)%	(1.9)%	(3.9)%	(8.3)%	(4.9)%
Other	<u>(11.1)%</u>	<u>28.5%</u>	<u>23.8%</u>	<u>14.2%</u>	<u>15.1%</u>	<u>19.8%</u>	<u>3.7%</u>	<u>2.0%</u>	<u>3.3%</u>	<u>6.4%</u>	<u>5.4%</u>	<u>7.3%</u>	<u>(1.5)%</u>	<u>3.8%</u>
Total	5.6%	11.7%	7.8%	3.3%	7.0%	1.0%	(1.7)%	1.5%	(0.3)%	0.1%	(0.9)%	(2.4)%	(7.5)%	(3.7)%
Growth % from Foreign Exchange														
United States	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(0.0)%
Canada	<u>3.2%</u>	<u>(4.6)%</u>	<u>4.2%</u>	<u>4.9%</u>	<u>1.8%</u>	<u>4.3%</u>	<u>4.0%</u>	<u>(4.3)%</u>	<u>(3.8)%</u>	<u>(0.2)%</u>	<u>(4.7)%</u>	<u>(3.4)%</u>	<u>(1.1)%</u>	<u>(3.0)%</u>
North America	0.3%	(0.5)%	0.4%	0.5%	0.2%	0.4%	0.4%	(0.4)%	(0.4)%	0.0%	(0.4)%	(0.3)%	(0.1)%	(0.3)%
Other	<u>(9.8)%</u>	<u>(11.7)%</u>	<u>3.0%</u>	<u>7.4%</u>	<u>(0.6)%</u>	<u>10.0%</u>	<u>3.4%</u>	<u>(5.1)%</u>	<u>(5.6)%</u>	<u>(0.1)%</u>	<u>(8.8)%</u>	<u>(5.9)%</u>	<u>(4.3)%</u>	<u>(6.3)%</u>
Total	(0.6)%	(1.5)%	0.8%	1.4%	0.1%	1.6%	0.8%	(1.1)%	(1.2)%	—%	(1.6)%	(1.1)%	(0.6)%	(1.1)%
Growth % from Acquisitions (Dispositions), net														
United States	0.0%	0.0%	(0.5)%	(1.4)%	(0.5)%	(1.5)%	1.1%	2.3%	2.9%	1.2%	4.2%	0.2%	0.1%	1.4%
Canada	<u>(2.4)%</u>	<u>2.0%</u>	<u>(0.5)%</u>	<u>0.0%</u>	<u>(1.2)%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>(6.6)%</u>	<u>(16.8)%</u>	<u>(11.3)%</u>	<u>(11.9)%</u>
North America	(0.2)%	(0.2)%	(0.5)%	(1.3)%	(0.6)%	(1.4)%	1.0%	2.6%	1.1%	3.2%	(1.0)%	(1.5)%	(1.0)%	0.1%
Other	<u>74.1%</u>	<u>65.5%</u>	<u>(3.9)%</u>	<u>(3.2)%</u>	<u>23.7%</u>	<u>(2.7)%</u>	<u>(1.3)%</u>	<u>0.3%</u>	<u>1.4%</u>	<u>(0.4)%</u>	<u>1.9%</u>	<u>1.6%</u>	<u>1.9%</u>	<u>1.8%</u>
Total	6.6%	5.7%	(0.9)%	(1.6)%	2.2%	(1.5)%	0.6%	1.8%	2.4%	0.9%	3.0%	(1.1)%	(0.6)%	0.3%

Note: See appendix for definitions of non-GAAP measures
 Note: Actuals may not foot due to rounding



ADJUSTED EBITDA TRENDING SCHEDULE

(US\$ in thousands, except percentages)

	2017 (ASC 605)					2018 (ASC 606)					2019			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
ADVERTISING AND COMMUNICATIONS GROUP														
Revenue	\$344,700	\$390,532	\$375,800	\$402,747	\$1,513,779	\$326,968	\$379,743	\$375,830	\$393,662	\$1,476,203	\$328,791	\$362,130	\$342,907	\$1,033,828
Operating income (loss)	16,969	36,069	47,944	71,833	172,815	(561)	43,912	20,642	860	64,853	20,504	40,073	38,532	99,109
Depreciation and amortization	10,588	10,467	10,997	10,324	42,376	12,151	11,543	10,935	10,805	45,434	8,621	10,442	9,176	28,239
Goodwill and other asset impairment	—	—	—	3,238	3,238	—	—	21,008	56,732	77,740	—	—	1,944	1,944
Stock-based compensation	4,345	5,023	5,903	6,945	22,216	3,789	4,382	4,622	964	13,757	4,545	2,442	5,193	12,180
Deferred acquisition consideration adjustments	11,431	4,306	(2,462)	(18,173)	(4,898)	2,586	(5,067)	11,003	(8,979)	(457)	(7,643)	2,073	1,943	(3,627)
Distributions from non-consolidated affiliates	—	105	—	—	105	—	—	—	—	—	—	—	(250)	(250)
Other items, net	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted EBITDA ⁽¹⁾	\$ 43,334	\$ 55,969	\$ 62,382	\$ 74,167	\$ 235,852	\$ 17,965	\$ 54,770	\$ 68,210	\$ 60,382	\$ 201,327	\$ 26,027	\$ 55,030	\$ 56,538	\$ 137,595
CORPORATE GROUP														
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating loss	(8,570)	(9,688)	(10,724)	(11,874)	(40,856)	(14,072)	(13,140)	(18,024)	(9,921)	(55,157)	(4,822)	(16,631)	(9,111)	(30,565)
Depreciation and amortization	310	299	255	234	1,098	224	160	199	179	762	217	221	192	630
Goodwill and other asset impairment	—	—	—	1,177	1,177	2,317	—	—	—	2,317	—	—	—	—
Stock-based compensation	605	517	477	535	2,134	1,248	1,221	1,620	570	4,659	(1,573)	1,192	833	452
Distributions from non-consolidated affiliates	—	—	1,118	2,716	3,834	20	11	478	270	779	—	31	48	79
Other items, net	135	(100)	330	(112)	253	122	(68)	7,346	479	7,879	1,626	6,594	705	8,925
Adjusted EBITDA ⁽¹⁾	\$ (7,521)	\$ (8,971)	\$ (8,544)	\$ (7,324)	\$ (32,360)	\$ (10,141)	\$ (11,816)	\$ (8,381)	\$ (8,423)	\$ (38,761)	\$ (4,552)	\$ (8,593)	\$ (7,333)	\$ (20,478)
TOTAL														
Revenue	\$344,700	\$390,532	\$375,800	\$402,747	\$1,513,779	\$326,968	\$379,743	\$375,830	\$393,662	\$1,476,203	\$328,791	\$362,130	\$342,907	\$1,033,828
Operating income (loss)	8,399	26,381	37,220	59,959	131,959	(14,633)	30,772	2,618	(9,061)	9,696	15,682	23,442	29,421	68,544
Depreciation and amortization	10,898	10,766	11,252	10,558	43,474	12,375	11,703	11,134	10,984	46,196	8,838	10,663	9,368	28,869
Goodwill and other asset impairment	—	—	—	4,415	4,415	2,317	—	21,008	56,732	80,057	—	—	1,944	1,944
Stock-based compensation	4,950	5,540	6,380	7,480	24,350	5,037	5,603	6,242	1,534	18,416	2,972	3,634	6,026	12,632
Deferred acquisition consideration adjustments	11,431	4,306	(2,462)	(18,173)	(4,898)	2,586	(5,067)	11,003	(8,979)	(457)	(7,643)	2,073	1,943	(3,627)
Distributions from non-consolidated affiliates	—	105	1,118	2,716	3,939	20	11	478	270	779	—	31	(202)	(171)
Other items, net	135	(100)	330	(112)	253	122	(68)	7,346	479	7,879	1,626	6,594	705	8,926
Adjusted EBITDA ⁽¹⁾	\$ 35,813	\$ 46,998	\$ 53,838	\$ 66,843	\$ 203,492	\$ 7,824	\$ 42,954	\$ 59,829	\$ 51,959	\$ 162,566	\$ 21,475	\$ 46,437	\$ 49,205	\$ 117,117

¹ Adjusted EBITDA is a non-GAAP measure. See appendix for the definition
Note: Actuals may not foot due to rounding



RECONCILIATIONS

	2018					2019				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD	
NON-GAAP ACQUISITIONS (DISPOSITIONS), NET										
GAAP revenue from current year acquisitions	\$ —	\$ 11,066	\$ 12,734	\$ 12,317	\$ 36,117	\$ —	\$ 698	\$ 1,347	\$ 2,045	
GAAP revenue from prior year acquisitions ⁽¹⁾	—	—	—	—	—	15,685	1,519	1,109	18,313	
Impact of adoption of ASC 606 exclusion	—	450	(1,122)	504	(168)	—	—	—	—	
Foreign exchange impact	—	—	—	—	—	—	—	470	470	
Contribution to organic revenue (growth) decline ⁽²⁾	—	(3,417)	(945)	(3,243)	(7,605)	(4,008)	(440)	(2,185)	(6,633)	
Prior year revenue from dispositions ⁽³⁾	(5,261)	(5,592)	(3,847)	—	(14,700)	(1,825)	(5,995)	(3,178)	(10,998)	
Non-GAAP acquisitions (dispositions), net	\$ (5,261)	\$ 2,507	\$ 6,820	\$ 9,578	\$ 13,644	\$ 9,852	\$ (4,218)	\$ (2,437)	\$ 3,197	
OTHER ITEMS, NET										
SEC investigation and class action litigation expenses	\$ 122	\$ 235	\$ (88)	\$ 131	\$ 400	\$ —	\$ —	\$ —	\$ —	
D&O insurance proceeds	—	(303)	(231)	(24)	(558)	—	—	—	—	
Severance and other restructuring expenses	—	—	7,665	372	8,037	—	6,703	705	7,408	
Strategic review process costs	—	—	—	—	—	1,626	(109)	—	1,517	
Total other items, net	\$ 122	\$ (68)	\$ 7,346	\$ 479	\$ 7,879	\$ 1,626	\$ 6,594	\$ 705	\$ 8,925	
CASH INTEREST, NET & OTHER										
Cash interest paid	\$ (649)	\$ (30,765)	\$ (1,597)	\$ (31,001)	\$ (64,012)	\$ (1,629)	\$ (30,014)	\$ (882)	\$ (32,525)	
Bond interest accrual adjustment	(14,625)	14,625	(14,625)	14,625	—	(14,625)	14,625	(14,625)	(14,625)	
Adjusted cash interest paid	(15,274)	(16,140)	(16,222)	(16,376)	(64,012)	(16,254)	(15,389)	(15,507)	(47,150)	
Interest income	148	159	91	227	625	149	138	165	452	
Total cash interest, net & other	\$ (15,126)	\$ (15,981)	\$ (16,131)	\$ (16,149)	\$ (63,387)	\$ (16,105)	\$ (15,251)	\$ (15,342)	\$ (46,698)	
CAPITAL EXPENDITURES, NET										
Capital expenditures	\$ (3,799)	\$ (5,890)	\$ (5,543)	\$ (5,032)	\$ (20,264)	\$ (3,606)	\$ (4,317)	\$ (5,863)	\$ (13,786)	
Landlord reimbursements	219	851	291	442	1,803	1	—	—	1	
Total capital expenditures, net	\$ (3,580)	\$ (5,039)	\$ (5,252)	\$ (4,590)	\$ (18,461)	\$ (3,605)	\$ (4,317)	\$ (5,863)	\$ (13,785)	
MISCELLANEOUS OTHER DISCLOSURES										
Net income attributable to the noncontrolling interests	\$ 897	\$ 2,545	\$ 2,458	\$ 5,885	\$ 11,785	\$ 429	\$ 3,043	\$ 7,265	\$ 10,737	
Cash taxes	\$ 1,333	\$ 1,293	\$ 2,196	\$ (986)	\$ 3,836	\$ 1,677	\$ 1,817	\$ 137	\$ 3,631	

⁽¹⁾ GAAP revenue from prior year acquisitions for 2019 and 2018 relates to acquisitions which occurred in 2018 and 2017, respectively.

⁽²⁾ Contributions to organic revenue growth (decline) represents the change in revenue, measured on a constant currency basis, relative to the comparable pre-acquisition period for acquired businesses that is included in the Company's organic revenue growth (decline) calculation.

⁽³⁾ Prior year revenue from dispositions reflects the incremental impact on revenue for the comparable period after the Company's disposition of such disposed business, plus revenue from each business disposed of by the Company in the previous year through the twelve month anniversary of the disposition.

Note: Actuals may not foot due to rounding.



AVAILABLE LIQUIDITY¹

(US\$ in millions)

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Commitment Under Facility	\$ 250.0	\$ 325.0
Drawn	8.1	68.1
Undrawn Letters of Credit	4.7	4.7
Undrawn Commitments Under Facility	\$ 237.2	\$ 252.2
Total Cash & Cash Equivalents	27.3	30.9
Liquidity	\$ 264.5	\$ 283.0

¹ Subject to available borrowings under the Credit Facility.
Note: Actuals may not foot due to rounding



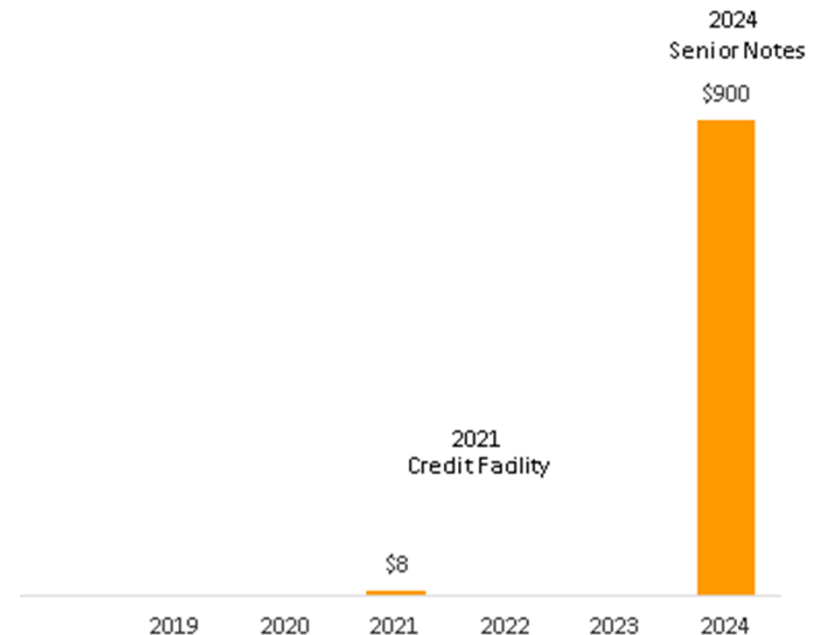
CURRENT CREDIT PICTURE

\$250 million Credit Facility Covenants ⁽¹⁾

(US\$ in millions)

Covenants		September 30, 2019
I.	Total Senior Leverage Ratio	0.003
	Maximum per covenant	2.00
II.	Total Leverage Ratio	5.04
	Maximum per covenant	6.25
III.	Fixed Charges Ratio	2.41
	Minimum per covenant	1.00
IV.	Covenant EBITDA (2)	\$178.9
	Minimum per covenant	\$105.0
Debt Calculation		
Total Senior Leverage, net ⁽³⁾		\$0.6
Net Debt ⁽⁴⁾		\$901.4

Current Debt Maturity Profile ⁽⁵⁾



¹ These ratios and measures are not based on generally accepted accounting principles and are not presented as alternatives measures of operating performance or liquidity. Some of these ratios and measures include, among other things, pro forma adjustments for acquisitions, one-time charges, and other items, as defined in the Credit Agreement. They are presented here to demonstrate compliance with the covenants in the Credit Agreement, as non-compliance with such covenants could have a material adverse effect on the Company.

² Covenant EBITDA is a measure that includes pro forma adjustments for acquisitions, one-time charges, and other items, as defined in the Credit Agreement.

³ Total Senior Leverage is a measure that includes borrowings under the Credit Agreement, outstanding letters of credit, less cash held in depository accounts, as defined in the Credit Agreement.

⁴ Net Debt is a measure that includes borrowings under the Credit Agreement, the Senior Notes, other outstanding debt and letters of credit, less cash held in depository accounts, as defined in the Credit Agreement. Net Debt does not include Deferred Acquisition Consideration with the exception of certain fixed components (\$0.5 million as of September 30, 2019), and it does not include minority interest.

⁵ Based on borrowings as of September 30, 2019. Excludes letters of credit, and Deferred Acquisition Consideration.

Note: Actuals may not foot due to rounding



DEFINITION OF NON-GAAP MEASURES

In addition to its reported results, MDC Partners has included in its earnings release and supplemental management presentation certain financial results that the Securities and Exchange Commission defines as "non-GAAP financial measures." Management believes that such non-GAAP financial measures, when read in conjunction with the Company's reported results, can provide useful supplemental information for investors analyzing period to period comparisons of the Company's results. Such non-GAAP financial measures include the following:

Organic Revenue: Organic Revenue: "Organic revenue growth" and "organic revenue decline" refer to the positive or negative results, respectively, of subtracting both the foreign exchange and acquisition (disposition) components from total revenue growth. The acquisition (disposition) component is calculated by aggregating prior period revenue for any acquired businesses, less the prior period revenue of any businesses that were disposed of during the current period. The organic revenue growth (decline) component reflects the constant currency impact of (a) the change in revenue of the partner firms which the Company has held throughout each of the comparable periods presented, and (b) "non-GAAP acquisitions (dispositions), net". Non-GAAP acquisitions (dispositions), net consists of (i) for acquisitions during the current year, the revenue effect from such acquisitions as if the acquisition had been owned during the equivalent period in the prior year and (ii) for acquisitions during the previous year, the revenue effect from such acquisitions as if they had been owned during that entire year (or same period as the current reportable period), taking into account their respective pre-acquisition revenues for the applicable periods, and (iii) for dispositions, the revenue effect from such dispositions as if they had been disposed of during the equivalent period in the prior year.

Net New Business: Estimate of annualized revenue for new wins less annualized revenue for losses incurred in the period.

Adjusted EBITDA: Adjusted EBITDA is a non-GAAP measure that represents operating profit (loss) plus depreciation and amortization, stock-based compensation, deferred acquisition consideration adjustments, distributions from non-consolidated affiliates, and other items.

Covenant EBITDA: Covenant EBITDA is a measure that includes pro forma adjustments for acquisitions, one-time charges, and other items, as defined in the Credit Agreement. We believe that the presentation of Covenant EBITDA is appropriate as it eliminates the effect of certain non-cash and other items not necessarily indicative of a company's underlying operating performance. In addition, the presentation of Covenant EBITDA provides additional information to investors about the calculation of, and compliance with, certain financial covenants in the Credit Agreement.

Included in the Company's earnings release and supplemental management presentation are tables reconciling MDC Partners' reported results to arrive at certain of these non-GAAP financial measures. We are unable to reconcile our projected 2019 organic revenue growth to the corresponding GAAP measure because we are unable to predict the 2019 impact of foreign exchange due to the unpredictability of future changes in foreign exchange rates and because we are unable to predict the occurrence or impact of any acquisitions, dispositions, or other potential changes. We are unable to reconcile our projected 2019 Covenant EBITDA to the corresponding GAAP measure because the amount and timing of many future charges that impact these measures (such as amortization of future acquired intangible assets, foreign exchange transaction gains or losses, impairment charges, provision or benefit for income taxes, and certain assumptions used in the calculation of deferred acquisition consideration) are variable, uncertain, or out of our control and therefore cannot be reasonably predicted without unreasonable effort, if at all. As a result, we are unable to provide reconciliations of these measures. In addition, we believe such reconciliations could imply a degree of precision that might be confusing or misleading to investors. For the same reasons, we are unable to address the probable significance of the unavailable information, which could have a potentially unpredictable, and potentially significant, impact on future GAAP financial results.

Note: A reconciliation of non-GAAP to US GAAP reported results has been provided by the Company in the tables included herein.



MDC Partners

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