# IPG CEO outlines Q1 performance amid trade tariff challenges and Omnicom merger progress



Interpublic Group (IPG) CEO Philippe Krakowsky has provided an update on the holding company’s performance in the first quarter of the year, the impact of ongoing US-China trade tariffs, and progress regarding its proposed acquisition by Omnicom.

Speaking about the current market conditions, Krakowsky noted that despite the uncertainty caused by President Donald Trump’s tariff policies, clients’ marketing investment levels have so far remained stable. “The macro is increasingly volatile, however, so we are staying very close to our clients as they plan for contingencies in light of the rapid pace of change and resulting uncertainty that we are all seeing,” the IPG chief told The Drum.

He explained that advertisers are currently engaged in “scenario planning” to evaluate potential outcomes from the shifting trade environment but that marketing budgets have not yet seen significant cuts. However, he did acknowledge that “confidence is not at the levels we were seeing as we ended the year,” signalling a more cautious business outlook. Krakowsky highlighted that some clients may have to adapt their product and service offerings or place greater emphasis on value messaging in response to the tariff-driven cost pressures.

Many companies facing the tariffs appear to be considering price hikes to pass on additional import costs to consumers. Procter & Gamble, for example, is restructuring its supply chains to mitigate charges but still expects consumer price increases this summer. PepsiCo has also revised down its full-year earnings projections due to tariff-related cost rises and weakening consumer spending, which will likely lead to shifts in advertising strategies and media investments.

Krakowsky observed that the initial impact on media spend may be felt most acutely in project-based work and digital advertising, which are often viewed as discretionary expenses. He emphasised that all parties remain focused on monitoring developments to gain greater clarity amid what he described as “fairly significant” and rapidly evolving changes that can occur on a weekly or faster basis.

From a financial perspective, IPG reported a 3.6% decline in organic net revenue in the first quarter, attributed to prior-year client account activity. The company recorded a net loss of $85.4 million in the period, which included a $203.3 million restructuring charge, yet Krakowsky noted that overall results aligned with expectations.

Alongside managing tariff-related challenges, Krakowsky’s attention is also on the ongoing merger process with Omnicom, which has reached a milestone as Singapore’s regulatory authorities granted their approval for the deal—making it the sixth jurisdiction to do so. Although the completion of the acquisition remains some way off, Krakowsky said he and Omnicom chief John Wren have been working closely with intermediaries involved in new business pitches to clearly articulate the combined company’s market positioning.

“John and I have spent some time with the intermediaries who clearly run a lot of those processes, so that there can be clarity on their part in terms of kind of how we see the world, and ultimately, the ways in which the combined company will stand out,” Krakowsky told The Drum. However, he stressed that for now, both groups are continuing to pitch for work independently, with “business as usual” prevailing.

On new business activity levels, Krakowsky described the market as “solid” industry-wide but acknowledged it remains uncertain how the broader economic environment will influence future opportunities. He added that clients are sophisticated in understanding the potential benefits the merged entity could offer and that this may shape their decisions about agency partnerships moving forward. Yet to date, there has been no dramatic change attributable to the tariffs.

In summary, while IPG faces headwinds from trade policy uncertainty and economic volatility, the company remains engaged with clients and poised to adjust strategies as needed. At the same time, progress on its Omnicom merger continues, marking a significant moment in the agency sector’s evolving landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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