



ManpowerGroup

CREATING NEW ENERGY  
IS HUMANLY POSSIBLE



# FORWARD-LOOKING STATEMENT

This presentation contains statements, including financial projections, that are forward-looking in nature. These statements are based on managements' current expectations or beliefs, and are subject to known and unknown risks and uncertainties regarding expected future results. Actual results might differ materially from those projected in the forward-looking statements. Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in the ManpowerGroup Inc. Annual Report on Form 10-K dated December 31, 2016, which information is incorporated herein by reference, and such other factors as may be described from time to time in the Company's SEC filings. Any forward-looking statements in this presentation speak only as of the date hereof. The Company assumes no obligation to update or revise any forward-looking statements.



# ManpowerGroup 2017 Fourth Quarter Results

## Consolidated Financial Highlights

As Reported	Q4 Financial Highlights
↑ 14%	<b>Revenue \$5.6B</b>
↑ 7% CC	
↓ 40 bps	<b>Gross Margin 16.6%</b>
↑ 13%	<b>Operating Profit \$239M</b>
↑ 6% CC	
↓ 10 bps	<b>OP Margin 4.2%</b>
↑ 72%	<b>EPS \$3.22</b>
↑ 67% CC	

Throughout this presentation, the difference between reported variances and Constant Currency (CC) variances represents the impact of changes in currency on our financial results. Constant Currency is further explained in the Annual Report on our Web site.

# ManpowerGroup 2017 Fourth Quarter Results

## Consolidated Financial Highlights

As Reported	Excluding Restructuring Costs <sup>(1)</sup>	2017 Financial Highlights
↑ 7%	↑ 7%	<b>Revenue \$21.0B</b>
↑ 6% CC	↑ 6% CC	
↓ 40 bps	↓ 40 bps	<b>Gross Margin 16.6%</b>
↑ 5%	↑ 10%	<b>Operating Profit \$788M</b>
↑ 3% CC	↑ 8% CC	
↓ 10 bps	↑ 10 bps	<b>OP Margin 3.7%</b>
↑ 28%	↑ 35%	<b>EPS \$8.04</b>
↑ 27% CC	↑ 33% CC	

(1) Excludes the impact of restructuring costs of \$34.5M (\$27.8M net of tax) in H1 2017.

# ManpowerGroup 2017 Fourth Quarter Results

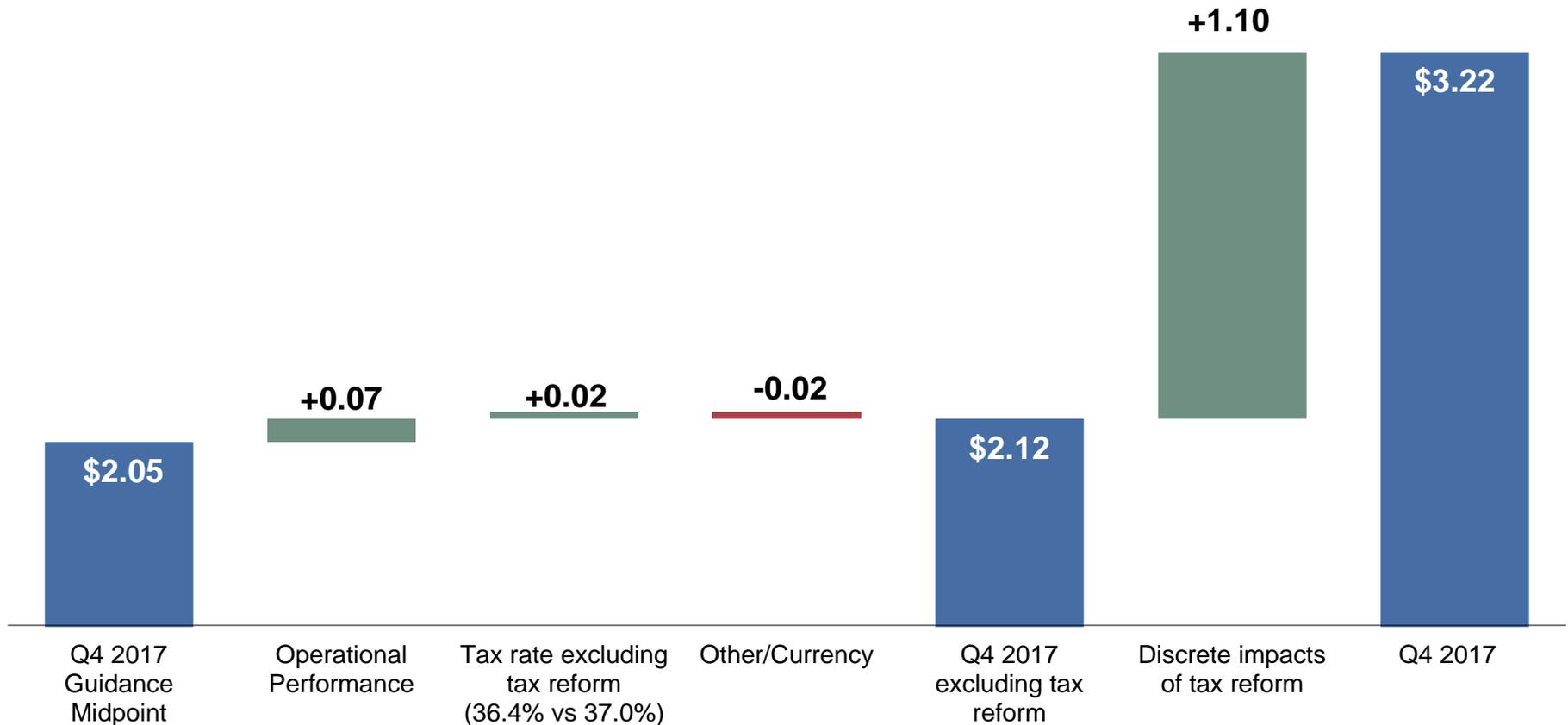
## Consolidated Financial Highlights (CFO Commentary)

As Reported	Q4 Financial Highlights
↑ 14%	<b>Revenue \$5.6B</b>
↑ 7% CC	
↓ 40 bps	<b>Gross Margin 16.6%</b>
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↑ 72%	<b>EPS \$3.22</b>
↑ 67% CC	

Throughout this presentation, the difference between reported variances and Constant Currency (CC) variances represents the impact of changes in currency on our financial results. Constant Currency is further explained in the Annual Report on our Web site.

# ManpowerGroup 2017 Fourth Quarter Results

## EPS Bridge – Q4 vs. Guidance Midpoint



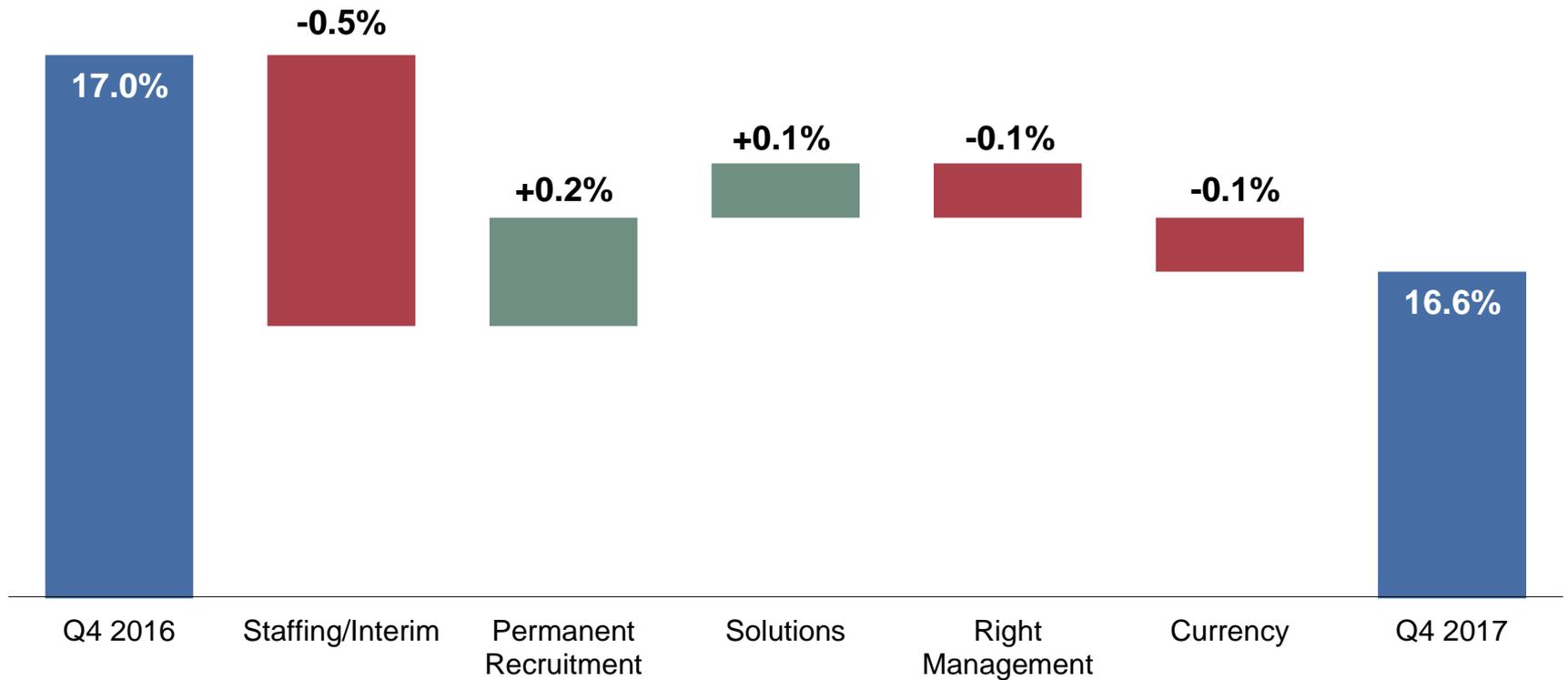
# ManpowerGroup 2017 Fourth Quarter Results

## Provision for Income Taxes

(in millions of USD)	Q4		YTD	
	Tax	ETR	Tax	ETR
Provision for income taxes, excluding tax reform	<u>(82)</u>	<u>36.4%</u>	<u>(266)</u>	<u>36.0%</u>
Discrete impacts of tax reform:				
US tax reform				
Change in deferred taxes due to Territorial Tax Regime	248		248	
Transition tax on one-time deemed repatriation	(170)		(170)	
France tax reform				
Change in deferred taxes due to tax rate reductions	<u>(4)</u>		<u>(4)</u>	
Total discrete tax items	<u>74</u>		<u>74</u>	
Provision for income taxes, as reported	<u>(8)</u>	<u>3.4%</u>	<u>(192)</u>	<u>26.0%</u>

Note: Provision for income taxes for 2017 included \$72M of the French business tax (CVAE), which is classified as income taxes in accordance with U.S. GAAP. This represented 6.5% of the effective tax rate in 2017.

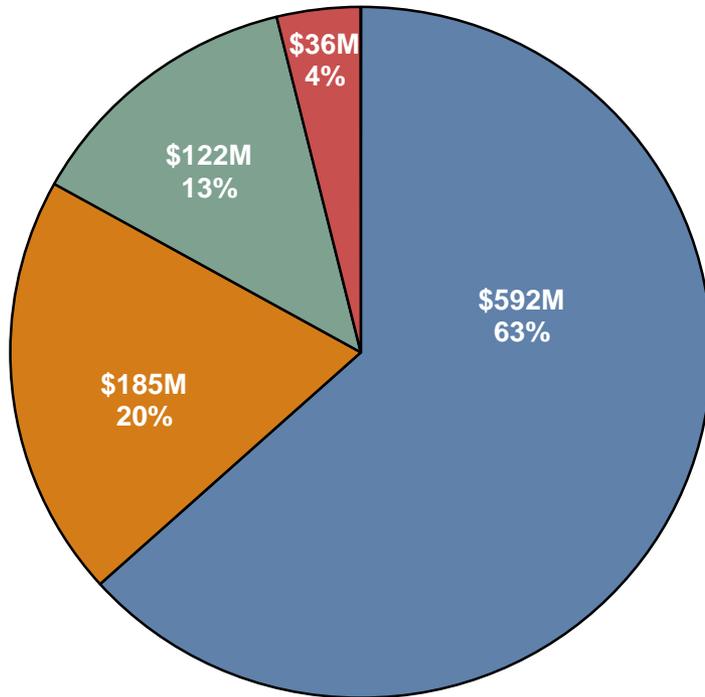
## Consolidated Gross Margin Change



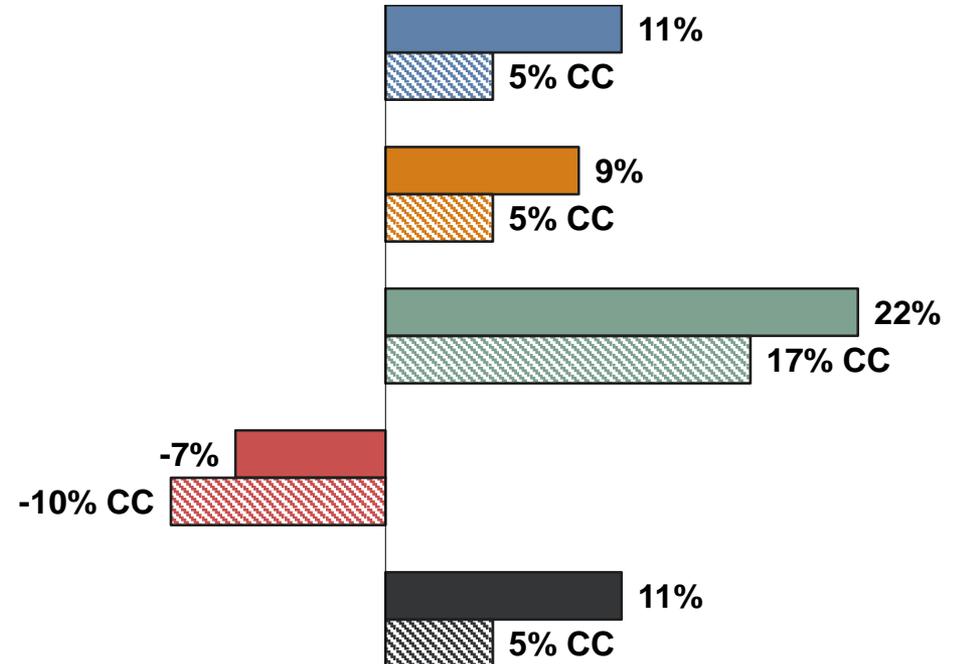
# ManpowerGroup 2017 Fourth Quarter Results

## Business Line Gross Profit – Q4 2017

**\$935M**



**Growth**

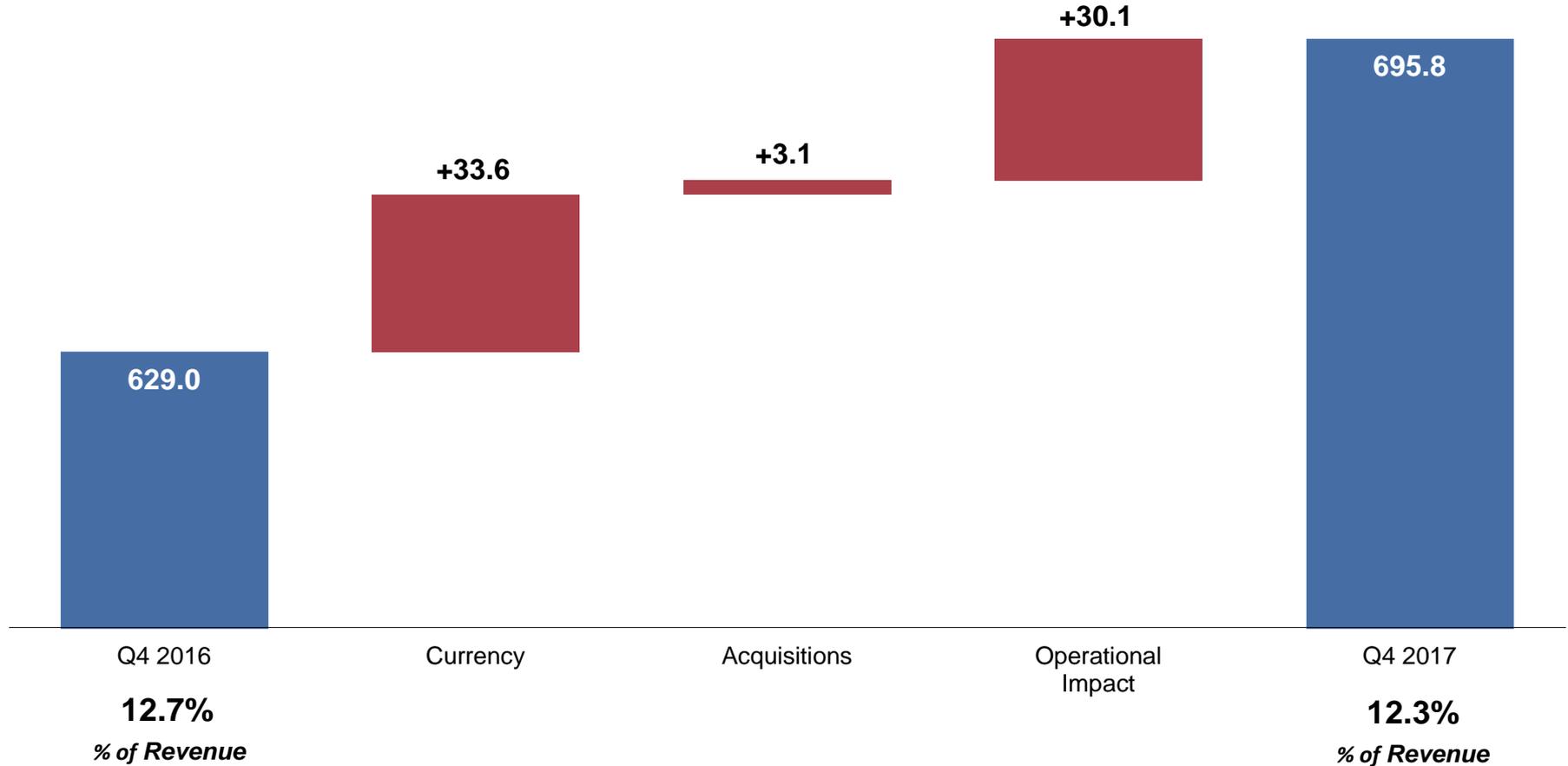


■ Manpower 
 ■ Experis 
 ■ ManpowerGroup Solutions 
 ■ Right Management 
 ■ ManpowerGroup – Total

# ManpowerGroup 2017 Fourth Quarter Results

## SG&A Expense Bridge – Q4 YoY

(in millions of USD)



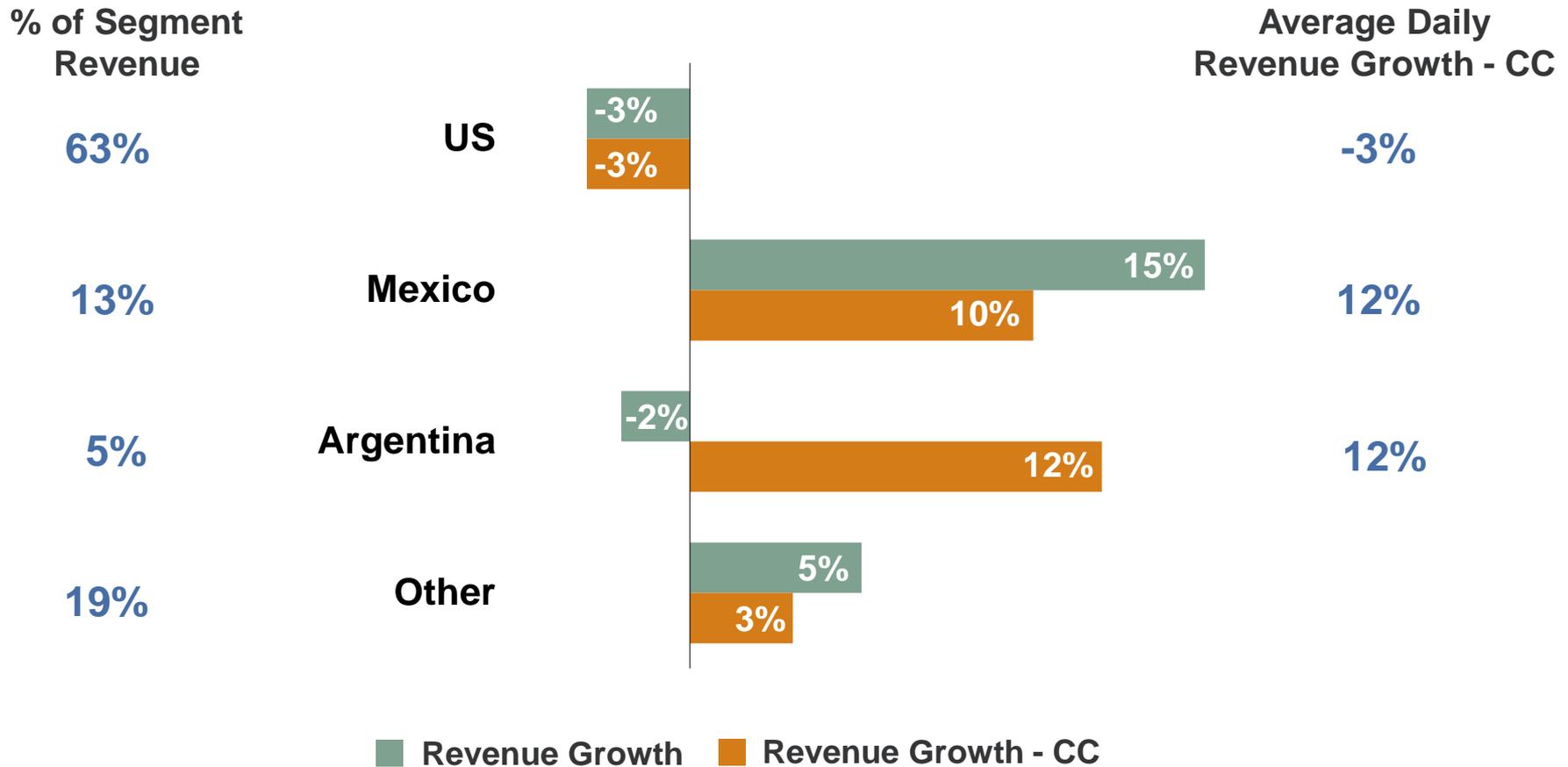
# ManpowerGroup 2017 Fourth Quarter Results

## Americas Segment (20% of Revenue)

As Reported	Q4 Financial Highlights
↑ 1%	<b>Revenue \$1.1B</b>
↑ 0% CC	
↑ 8%	<b>OUP \$58M</b>
↑ 8% CC	
↑ 40 bps	<b>OUP Margin 5.4%</b>

Operating Unit Profit (OUP) is the measure that we use to evaluate segment performance. OUP is equal to segment revenues less direct costs and branch and national headquarters operating costs.

## Americas – Q4 Revenue Growth YoY



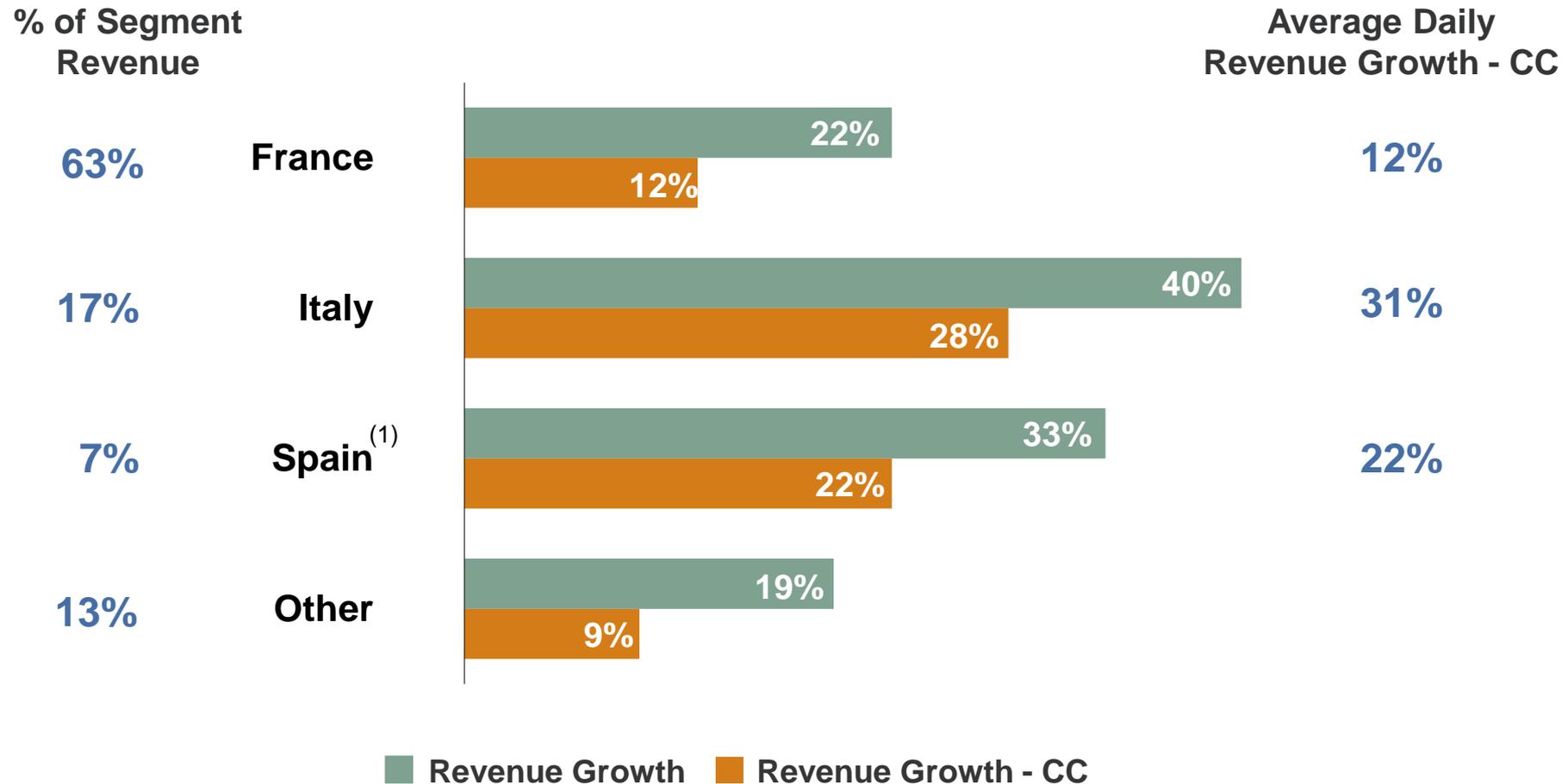
# ManpowerGroup 2017 Fourth Quarter Results

## Southern Europe Segment

(41% of Revenue)

As Reported	Q4 Financial Highlights
↑ 25%	Revenue <b>\$2.4B</b>
↑ 15% CC	
↑ 31%	OUP <b>\$133M</b>
↑ 20% CC	
↑ 20 bps	OUP Margin <b>5.5%</b>

## Southern Europe – Q4 Revenue Growth YoY



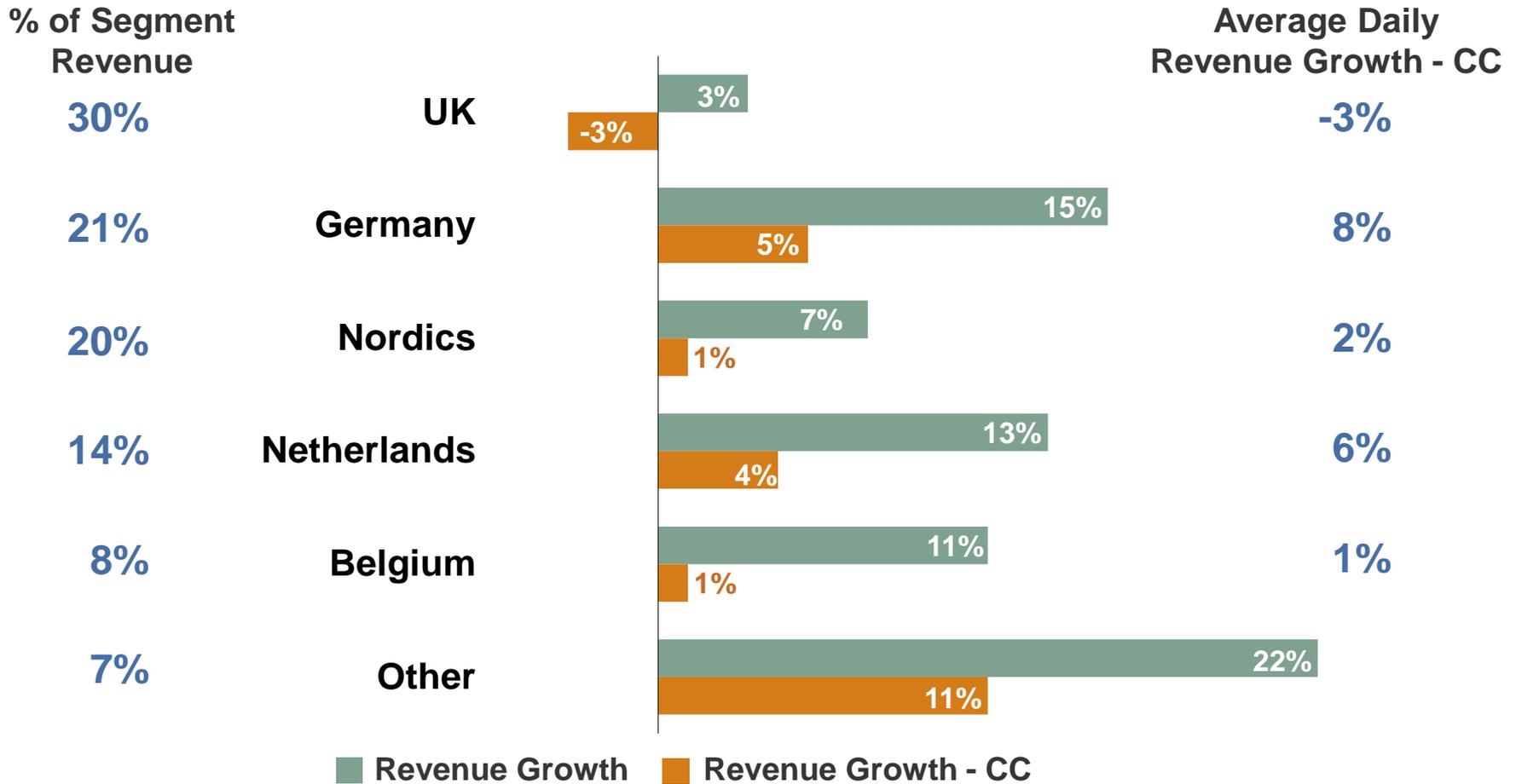
(1) On an organic basis, revenue for Spain increased 23% (+12% in CC; and 12% on an average daily revenue basis).

## Northern Europe Segment

(25% of Revenue)

As Reported	Q4 Financial Highlights
↑ 10%	<b>Revenue \$1.4B</b>
↑ 2% CC	
↓ 4%	<b>OUP \$47M</b>
↓ 10% CC	
↓ 50 bps	<b>OUP Margin 3.3%</b>

## Northern Europe – Q4 Revenue Growth YoY

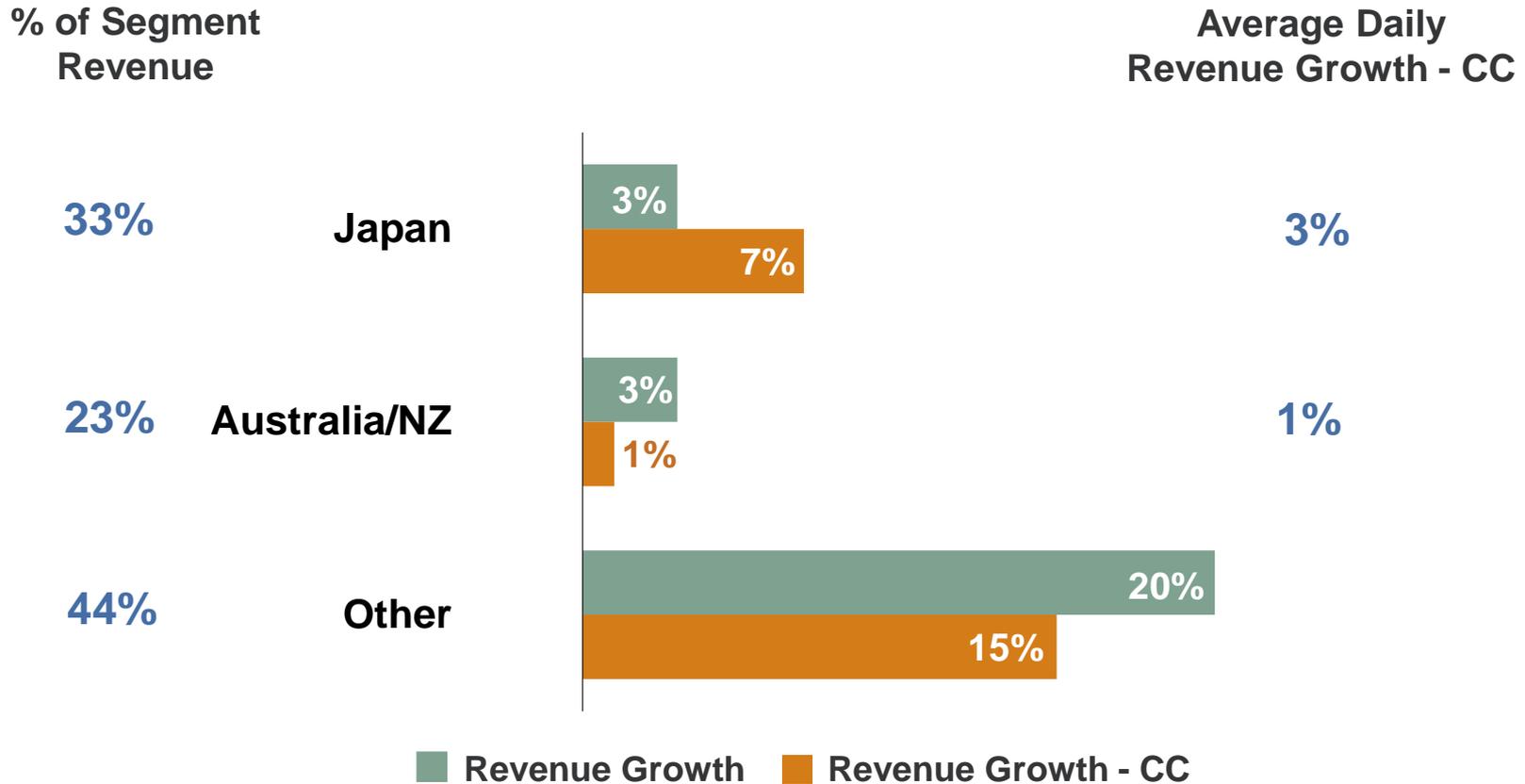


# ManpowerGroup 2017 Fourth Quarter Results

## APME Segment (13% of Revenue)

As Reported	Q4 Financial Highlights
↑ 10%	<b>Revenue \$695M</b>
↑ 9% CC	
↑ 31%	<b>OUP \$28M</b>
↑ 30% CC	
↑ 60 bps	<b>OUP Margin 4.0%</b>

## APME – Q4 Revenue Growth YoY



## Right Management Segment

(1% of Revenue)

As Reported	Q4 Financial Highlights
↓ 9%	<b>Revenue \$53M</b>
↓ 12% CC	
↓ 11%	<b>OUP \$11M</b>
↓ 13% CC	
↓ 40 bps	<b>OUP Margin 19.9%</b>

# ManpowerGroup 2017 Fourth Quarter Results

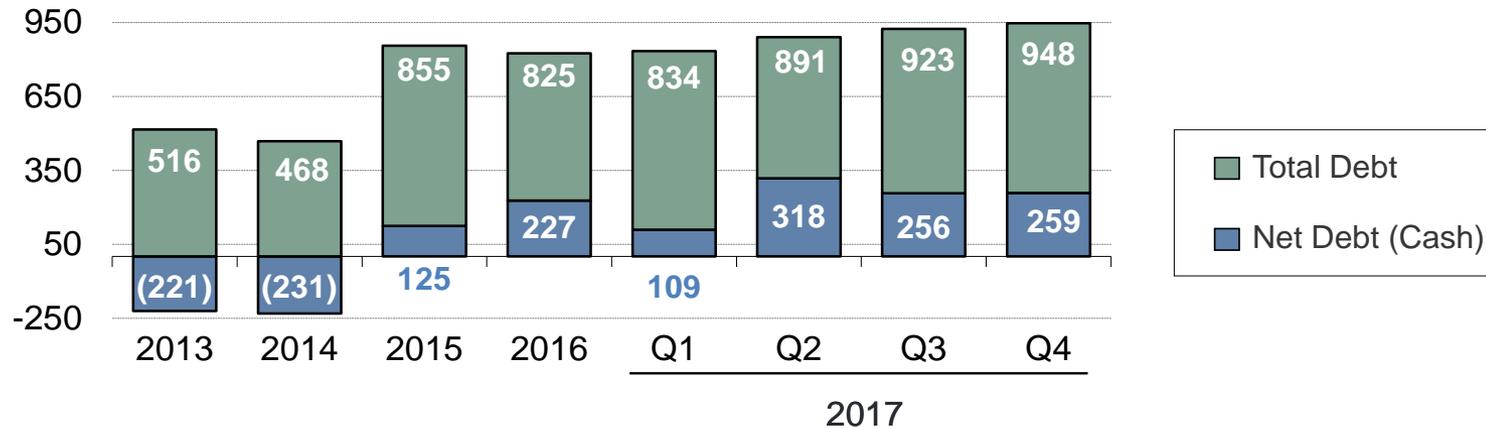
## Cash Flow Summary – Full Year

(in millions of USD)	2017	2016
Net Earnings	545	444
Non-cash Provisions and Other	(65)	206
Change in Operating Assets/Liabilities	(79)	(50)
Capital Expenditures	(55)	(57)
Free Cash Flow	346	543
Change in Debt	5	(7)
Acquisitions of Businesses, including Contingent Considerations, net of cash acquired	(46)	(61)
Other Equity Transactions	16	13
Repurchases of Common Stock	(204)	(482)
Dividends Paid	(124)	(118)
Effect of Exchange Rate Changes	83	(24)
Other	15	4
Change in Cash	91	(132)

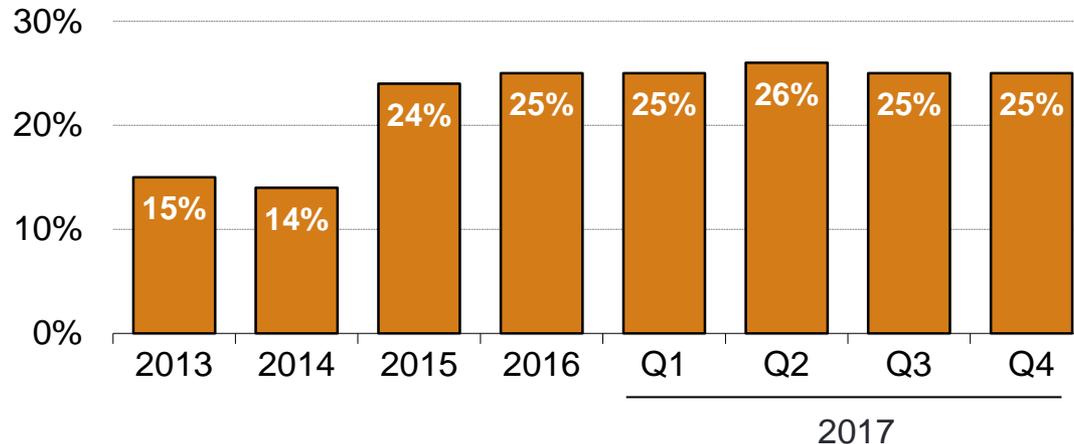
# ManpowerGroup 2017 Fourth Quarter Results

## Balance Sheet Highlights

**Total Debt**  
(in millions of USD)



**Total Debt to Total Capitalization**



# ManpowerGroup 2017 Fourth Quarter Results

## Debt and Credit Facilities – December 31, 2017

(in millions of USD)

	Interest Rate	Maturity Date	Total Outstanding	Remaining Available
<b>Euro Notes - €350M</b>	<b>4.505%</b>	<b>Jun 2018</b>	<b>420</b>	<b>-</b>
<b>Euro Notes - €400M</b>	<b>1.913%</b>	<b>Sep 2022</b>	<b>478</b>	<b>-</b>
<b>Revolving Credit Agreement <sup>(1)</sup></b>	<b>2.56%</b>	<b>Sep 2020</b>	<b>-</b>	<b>599</b>
<b>Uncommitted lines and Other <sup>(2)</sup></b>	<b>Various</b>	<b>Various</b>	<b>50</b>	<b>274</b>
<b>Total Debt</b>			<b>948</b>	<b>873</b>

(1) The \$600M agreement requires that we comply with a Leverage Ratio (net Debt-to-EBITDA) of not greater than 3.5 to 1 and a Fixed Charge Coverage Ratio of not less than 1.5 to 1, in addition to other customary restrictive covenants. As defined in the agreement, we had a net Debt-to-EBITDA ratio of 0.73 and a fixed charge coverage ratio of 5.22 as of December 31, 2017. As of December 31, 2017, there were \$0.8M of standby letters of credit issued under the agreement.

(2) Represents subsidiary uncommitted lines of credit & overdraft facilities, which total \$324.1M. Total subsidiary borrowings are limited to \$300M due to restrictions in our Revolving Credit Facility, with the exception of Q3 when subsidiary borrowings are limited to \$600M.

# ManpowerGroup 2017 Fourth Quarter Results

## First Quarter Outlook

<b>Revenue</b>	<b>Total</b>	Up 13-15% (Up 4-6% CC)
	<b>Americas</b>	Flat/Down 2% (Flat/Down 2% CC)
	<b>Southern Europe</b>	Up 26-28% (Up 10-12% CC)
	<b>Northern Europe</b>	Up 12-14% (Flat/Up 2% CC)
	<b>APME</b>	Up 3-5% (Up 1-3% CC)
	<b>Right Management</b>	Down 6-8% (Down 11-13% CC)
<b>Gross Profit Margin</b>		16.2 – 16.4%
<b>Operating Profit Margin</b>		3.0 – 3.2%
<b>Tax Rate</b>		29%
<b>EPS</b>		\$1.60 – \$1.68 (favorable \$0.15 currency)

## Annual Tax Rate Expectations<sup>(1)</sup>

**2018: 27-28%**

- No U.S. tax on repatriations
- CICE tax exempt

**2019: 33-34%**

- Anticipated elimination of French tax benefit as CICE transitions to a taxable subsidy.

(1) These estimates may be refined in future periods as further information becomes available.

Our **Strategies and Key  
Priorities** provide the  
platform to achieve our  
new **Financial Targets**



# ManpowerGroup 2017 Fourth Quarter Results

## Strong Market Growth Fundamentals



**Companies demanding flexibility in cost structure given more volatile global economic cycles.**

**Companies looking to the “experts” for workforce management solutions.**

**Companies reducing the number of vendors, partnering with those that best meet their talent needs.**

**Massive opportunity in emerging markets in Asia, Eastern Europe and Latin America.**

**Job seekers looking for current positions as well as career advice and assistance.**

# ManpowerGroup 2017 Fourth Quarter Results

## Strong and Connected Brands



ManpowerGroup®

We are a world leader in innovative workforce solutions and services, helping clients win through our family of brands and offerings.



Manpower®

**63% of GP**

Leverage our trusted brand, while driving relentless efficiency / productivity

- Targeted sales
- Permanent recruitment growth
- Multi-channel delivery
- Centers of recruiting excellence



Experis®  
ManpowerGroup



ManpowerGroup®  
Solutions



Right Management®  
ManpowerGroup

**37% of GP**

Drive higher growth and gross margin while investing more in changing our business mix

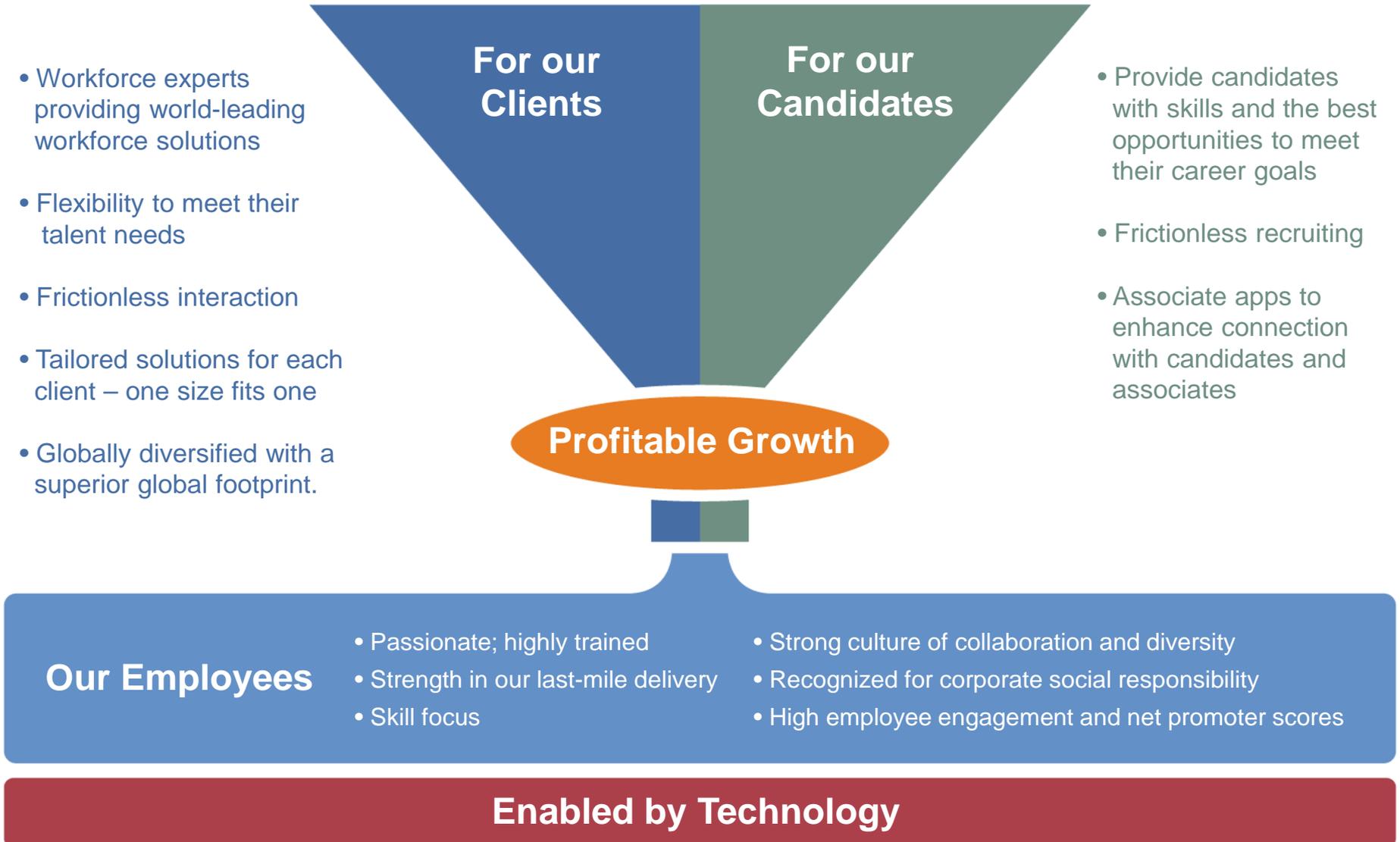
- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Core growth in Experis IT</li> <li>• Innovative talent resourcing</li> <li>• Permanent recruitment growth</li> <li>• Delivery excellence</li> </ul> | <ul style="list-style-type: none"> <li>• RPO, MSP, Proservia, TBO</li> <li>• Expert workforce solutions that deliver performance</li> </ul> | <ul style="list-style-type: none"> <li>• Career Transition / Talent Management &amp; Assessment</li> <li>• Tailored solutions to improve the effectiveness of organizations and individuals</li> </ul> |
|--|---|--|

**Digitally-Fueled Transformation**

**Sustainability, Mission and Values**

# ManpowerGroup 2017 Fourth Quarter Results

## Profitable Growth Through Value Creation



# ManpowerGroup 2017 Fourth Quarter Results

## Powering the Future of Work – Enabled by Technology



Enhanced digital experience through ManpowerGroup Digital Ecosystem



**DATA ANALYTICS**



**NEXT GEN APPLICATIONS**



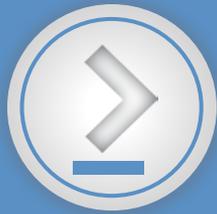
**DATA CENTER CONSOLIDATION  
FOCUS ON CYBERSECURITY**

Enabling employees to efficiently deliver a personalized candidate experience and valuable insights for clients.

# ManpowerGroup 2017 Fourth Quarter Results

## Financial Targets

**Revenue  
Growth**



**Market**

- Exceed or maintain key market revenue growth
- Disciplined profitable growth
- Focus on improvement in client mix

**EBITA  
Margin**



**4.5% - 5.0%**

- Assumes stable economic environment and consistent revenue growth and pricing
- Growth driven by:
  - gross profit improvement
  - continued steady efficiency/productivity enhancements

**ROIC**



**15%**

- Disciplined capital allocation to achieve a return well above cost of capital
- Rigorous cash management with a focus on DSO
- EBITA margin growth enabled
- Capital efficiency metric in Executive Team and Global Management incentive plans for nearly 20 years

## Q & A