

# Accelerating Performance IN THE HUMAN AGE



ManpowerGroup®



ManpowerGroup Third Quarter Results  
October 19, 2018

# 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, 2017, 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. We reference certain non-GAAP financial measures, which we believe provide useful information for investors. We include a reconciliation of these measures, where appropriate, to GAAP on the Investor Relations section of our website at [manpowergroup.com](http://manpowergroup.com).

# ManpowerGroup 2018 Third Quarter Results

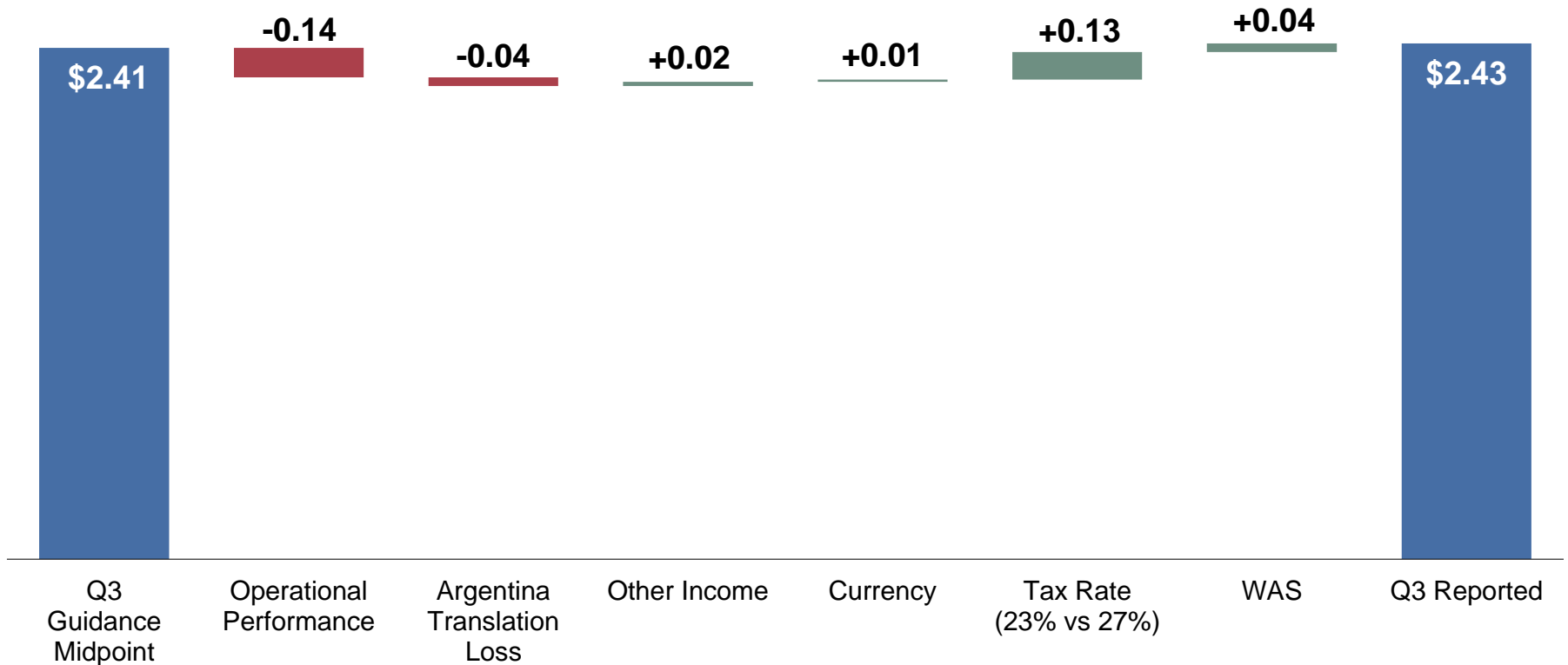
## Consolidated Financial Highlights

As Reported	Q3 Financial Highlights
↓ 1% ↑ 1% CC	<b>Revenue \$5.4B</b>
↓ 10 bps	<b>Gross Margin 16.4%</b>
↓ 5% ↓ 3% CC	<b>Operating Profit \$217M</b>
↓ 20 bps	<b>OP Margin 4.0%</b>
↑ 19% ↑ 21% CC	<b>EPS \$2.43</b>

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 Form 10-K on our Web site.

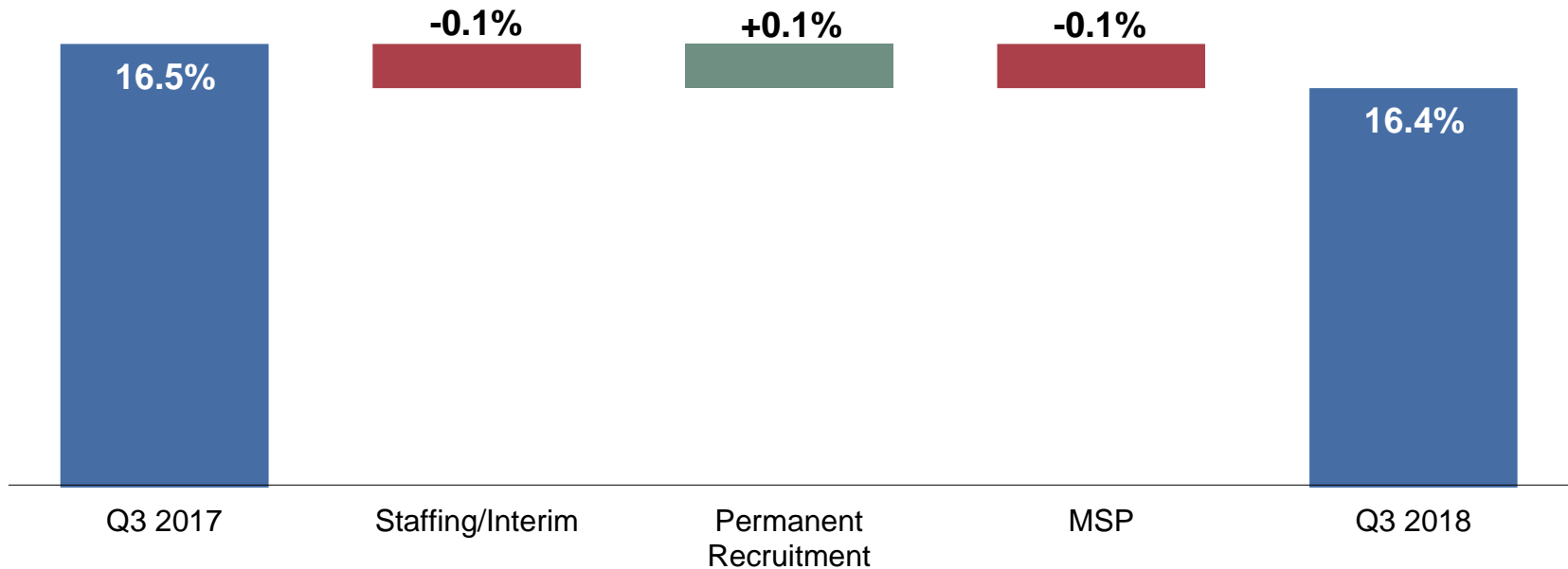
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## EPS Bridge – Q3 vs. Guidance Midpoint



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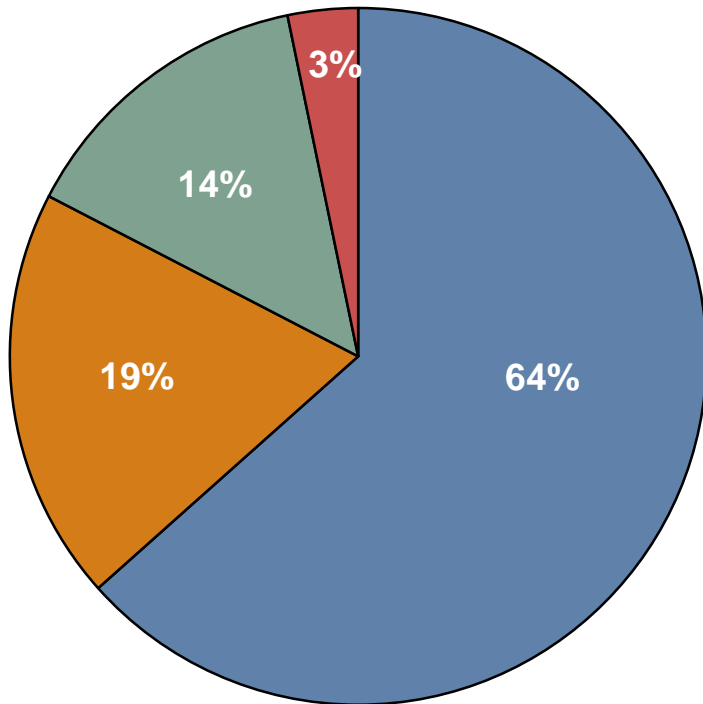
## Consolidated Gross Margin Change



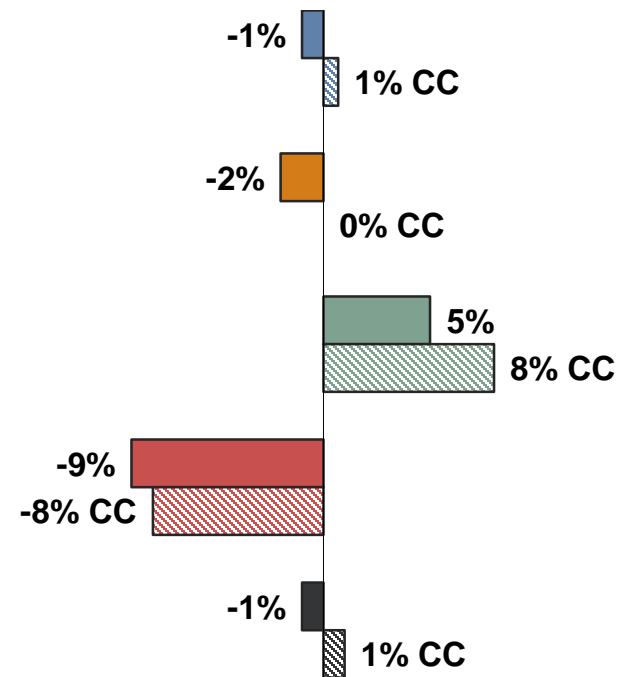
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## Business Line Gross Profit – Q3 2018<sup>(1)</sup>

**\$891M**



### Growth



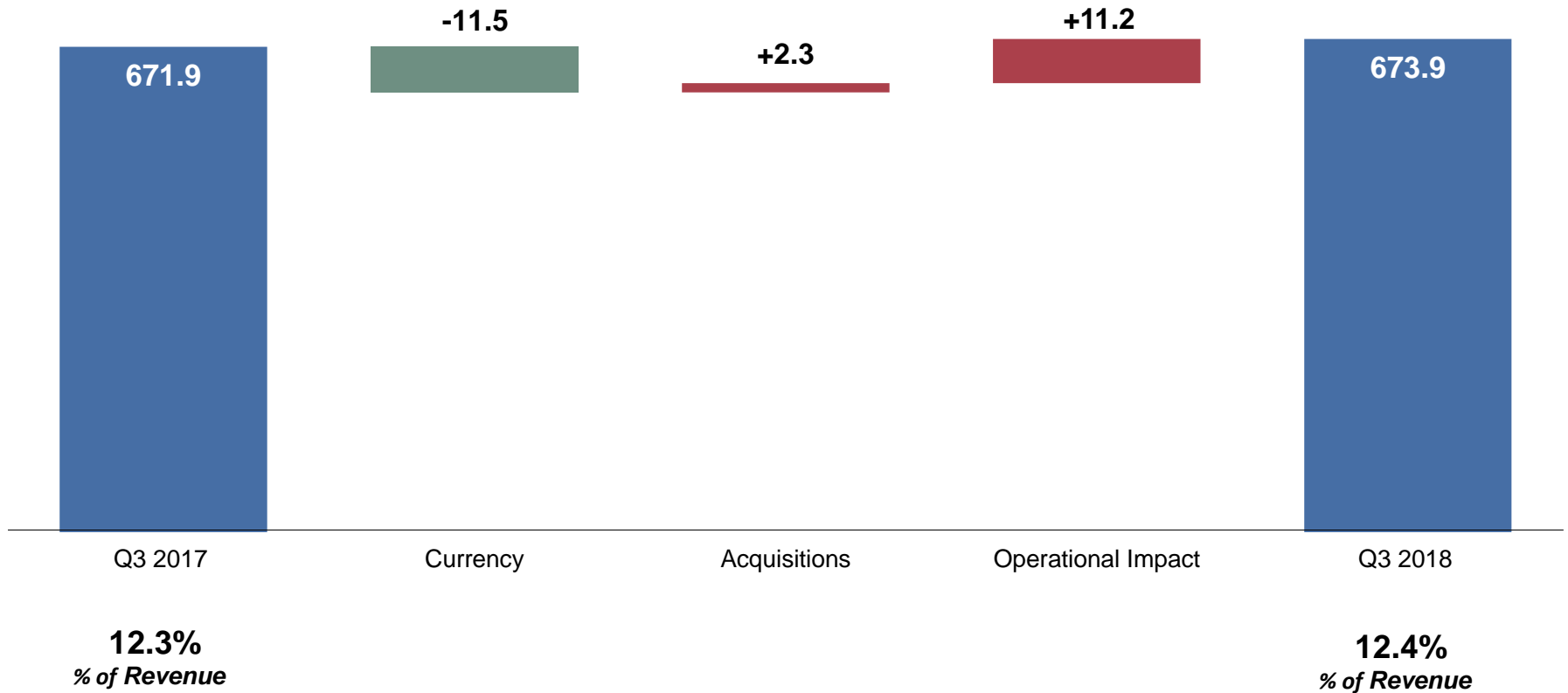
■ Manpower 
 ■ Experis 
 ■ ManpowerGroup Solutions 
 ■ Right Management 
 ■ ManpowerGroup – Total

(1) Business line classifications can vary by entity and are subject to change as service requirements change.

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## SG&A Expense Bridge – Q3 YoY

(in millions of USD)



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## Americas Segment (19% of Revenue)

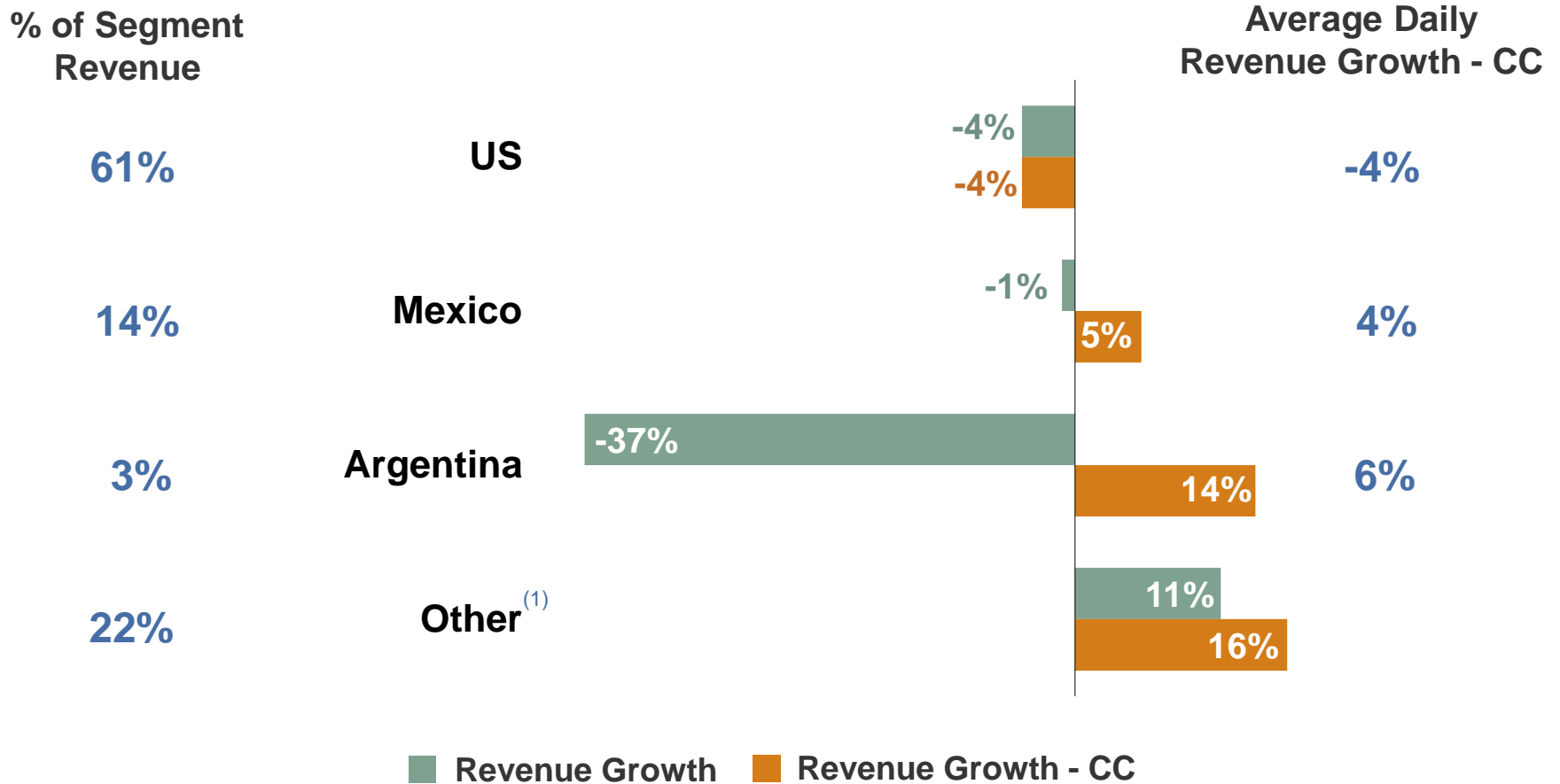
As Reported	Q3 Financial Highlights
↓ 2%	<b>Revenue \$1.0B</b>
↑ 2% CC	
↓ 14%	<b>OUP \$51M</b>
↓ 11% CC	
↓ 70 bps	<b>OUP Margin 4.9%</b>

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.



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## Americas – Q3 Revenue Growth YoY



(1) On an organic basis, revenue for Other increased 6% (11% in constant currency).

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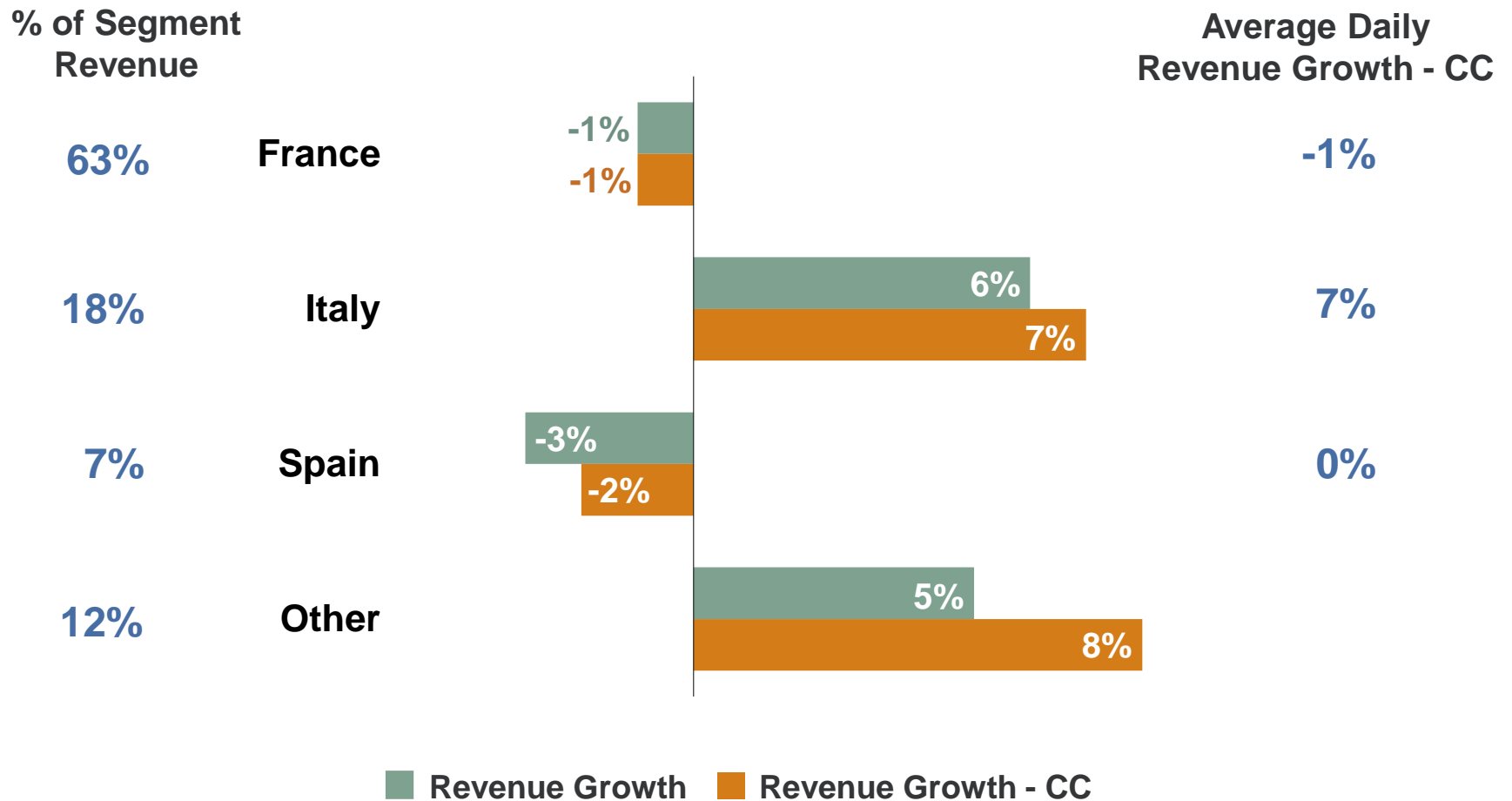
## Southern Europe Segment

(43% of Revenue)

As Reported	Q3 Financial Highlights
↑ 1%	<b>Revenue \$2.3B</b>
↑ 2% CC	
↑ 3%	<b>OUP \$122M</b>
↑ 4% CC	
↑ 10 bps	<b>OUP Margin 5.2%</b>

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## Southern Europe – Q3 Revenue Growth YoY



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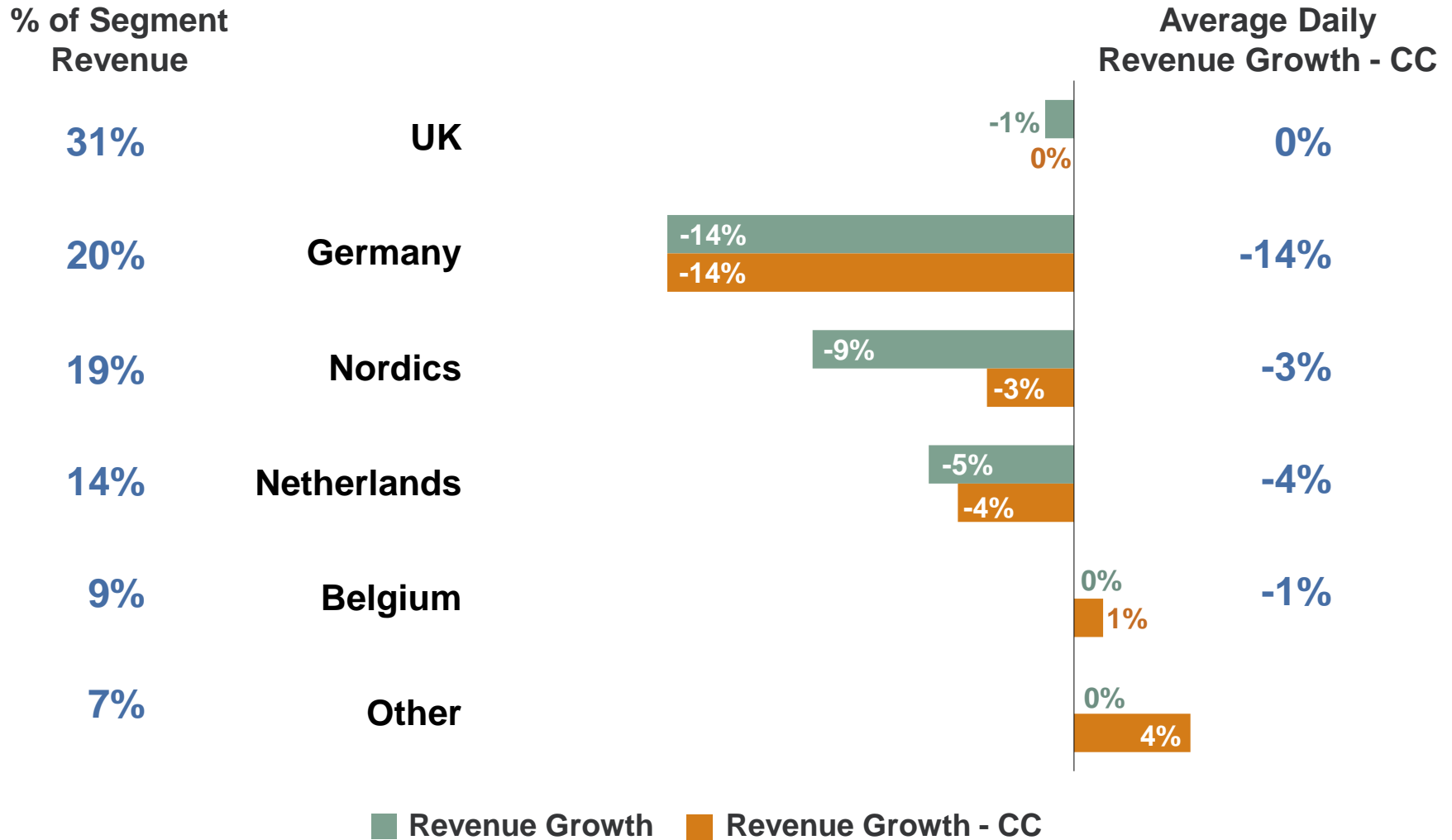
## Northern Europe Segment

(24% of Revenue)

As Reported	Q3 Financial Highlights
↓ 6%	<b>Revenue \$1.3B</b>
↓ 4% CC	
↓ 19%	<b>OUP \$40M</b>
↓ 17% CC	
↓ 50 bps	<b>OUP Margin 3.1%</b>

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## Northern Europe – Q3 Revenue Growth YoY



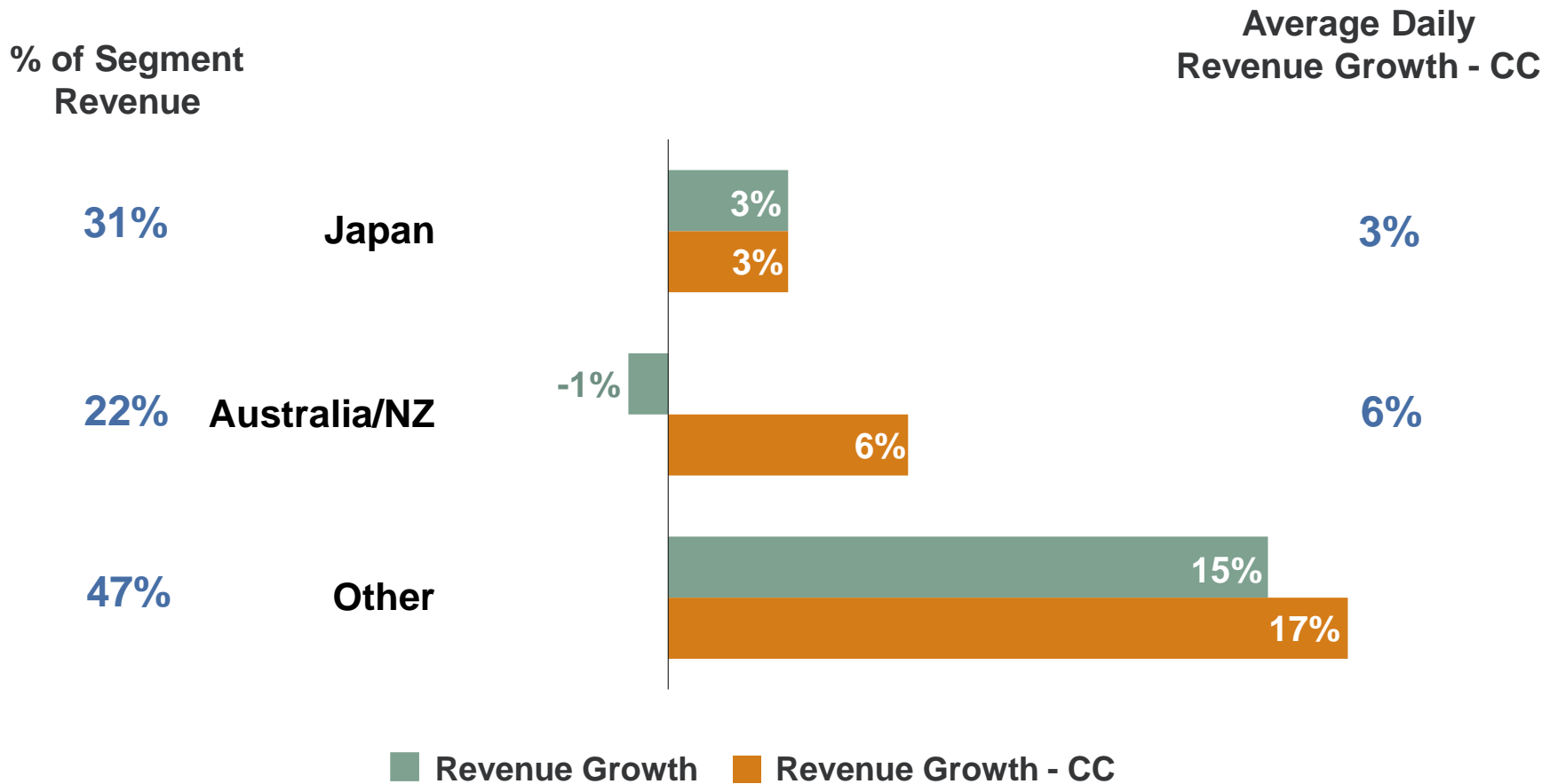
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## APME Segment (13% of Revenue)

As Reported	Q3 Financial Highlights
↑ 7%	Revenue <b>\$713M</b>
↑ 10% CC	
↑ 18%	OUP <b>\$32M</b>
↑ 21% CC	
↑ 40 bps	OUP Margin <b>4.5%</b>

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## APME – Q3 Revenue Growth YoY



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## Right Management Segment

(1% of Revenue)

As Reported	Q3 Financial Highlights
↓ 9%	<b>Revenue \$47M</b>
↓ 7% CC	
↓ 19%	<b>OUP \$7M</b>
↓ 18% CC	
↓ 170 bps	<b>OUP Margin 14.0%</b>



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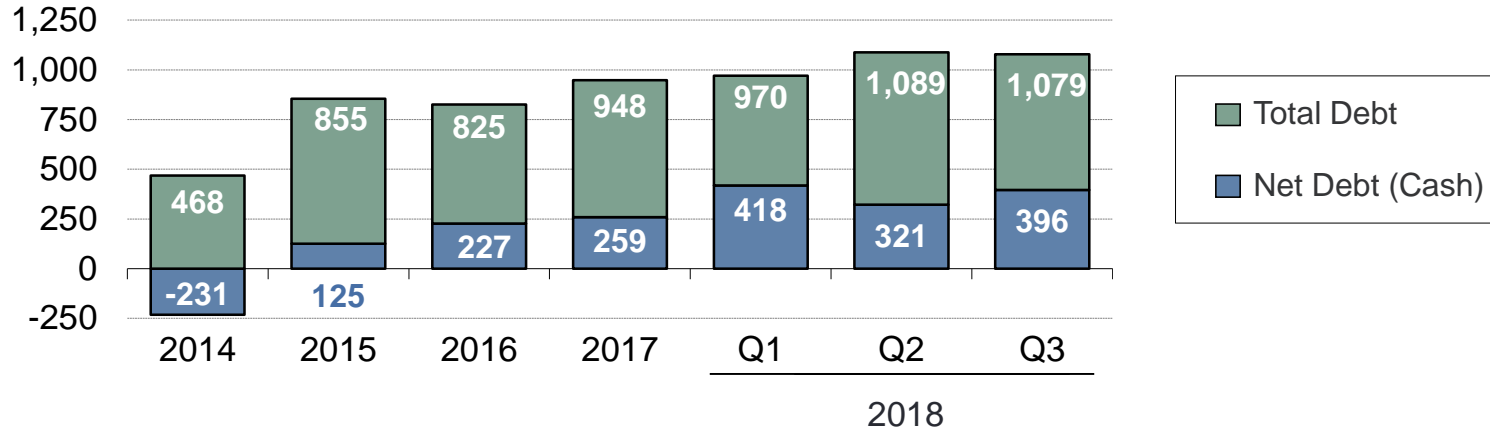
## Cash Flow Summary – 9 Months YTD

(in millions of USD)	2018	2017
Net Earnings	398	329
Non-cash Provisions and Other	91	138
Change in Operating Assets/Liabilities	(187)	(180)
Capital Expenditures	(40)	(40)
Free Cash Flow	262	247
Change in Debt	168	(3)
Acquisitions of Businesses, including Contingent Considerations, net of cash acquired	(27)	(40)
Other Equity Transactions	(13)	23
Repurchases of Common Stock	(299)	(178)
Dividends Paid	(66)	(62)
Effect of Exchange Rate Changes	(38)	70
Other	7	11
Change in Cash	<u>(6)</u>	<u>68</u>

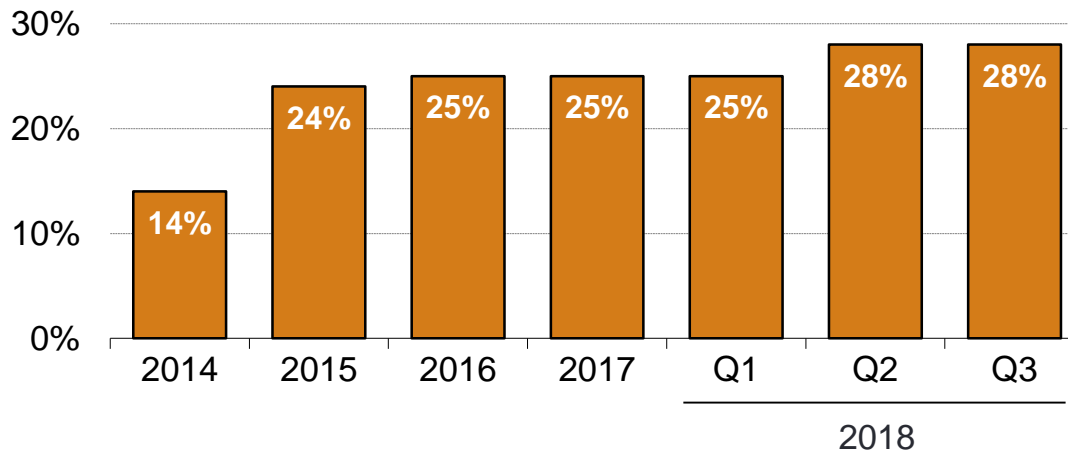
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## Balance Sheet Highlights

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



**Total Debt to Total Capitalization**



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## Debt and Credit Facilities – September 30, 2018

(in millions of USD)

	Interest Rate	Maturity Date	Total Outstanding	Remaining Available
<b>Euro Notes - €500M</b>	<b>1.809%</b>	<b>Jun 2026</b>	<b>575</b>	<b>-</b>
<b>Euro Notes - €400M</b>	<b>1.913%</b>	<b>Sep 2022</b>	<b>462</b>	<b>-</b>
<b>Revolving Credit Agreement<sup>(1)</sup></b>	<b>3.26%</b>	<b>Jun 2023</b>	<b>-</b>	<b>599</b>
<b>Uncommitted lines and Other<sup>(2)</sup></b>	<b>Various</b>	<b>Various</b>	<b>42</b>	<b>266</b>
<b>Total Debt</b>			<b>1,079</b>	<b>865</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 0.86 and a fixed charge coverage ratio of 5.31 as of Sept 30, 2018. As of Sept 30, 2018, there were \$0.5M of standby letters of credit issued under the agreement.

(2) Represents subsidiary uncommitted lines of credit & overdraft facilities, which total \$307.5M. 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 2018 Third Quarter Results

## Fourth Quarter Outlook

<b>Revenue</b>	<b>Total</b>	Down 2-4% (Down/Up 1% CC)
	<b>Americas</b>	Down 1-3% (Up 1-3% CC)
	<b>Southern Europe</b>	Flat/Down 2% (Flat/Up 2% CC)
	<b>Northern Europe</b>	Down 5-7% (Down 3-5% CC)
	<b>APME</b>	Flat/Up 2% (Up 3-5% CC)
	<b>Right Management</b>	Down 8-10% (Down 6-8% CC)
<b>Gross Profit Margin</b>		15.9 – 16.1%
<b>Operating Profit Margin</b>		3.6 – 3.8%
<b>Tax Rate</b>		27.5%
<b>EPS</b>		\$2.15 – \$2.23 (unfavorable \$0.05 currency)

# ManpowerGroup 2018 Third Quarter Results

## Key Take Aways



Third quarter results reflect a softened market environment, particularly in Europe.



Our global footprint and broad portfolio of services and solutions gives us the opportunity to pursue growth opportunities even when some markets become more challenging.



We continue to implement leading technology tools throughout our businesses globally.



Although we expect the environment to continue to be challenging in Europe during the fourth quarter, we will continue to execute on our strategic priorities while managing costs and productivity.