



ManpowerGroup®

ManpowerGroup First Quarter Results | April 21, 2020

# FORWARD-LOOKING STATEMENT

This presentation contains statements, including statements regarding the anticipated financial and operational impacts of the COVID-19 pandemic and the Company's efforts to respond to such impacts, that are forward-looking in nature and, accordingly, are subject to risks and uncertainties regarding the Company's expected future results. The Company's actual results may differ materially from those described or contemplated in the forward-looking statements due to numerous factors. These factors include those found in the Company's reports filed with the SEC, including the information under the heading "Risk Factors" in its Annual Report on Form 10-K for the year ended December 31, 2019, as well as the risks and uncertainties arising from the COVID-19 global pandemic and related governmental actions that are discussed in the Company's Periodic Report on Form 8-K filed on April 21, 2020, which information is incorporated herein by reference.

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 2020 First Quarter Results

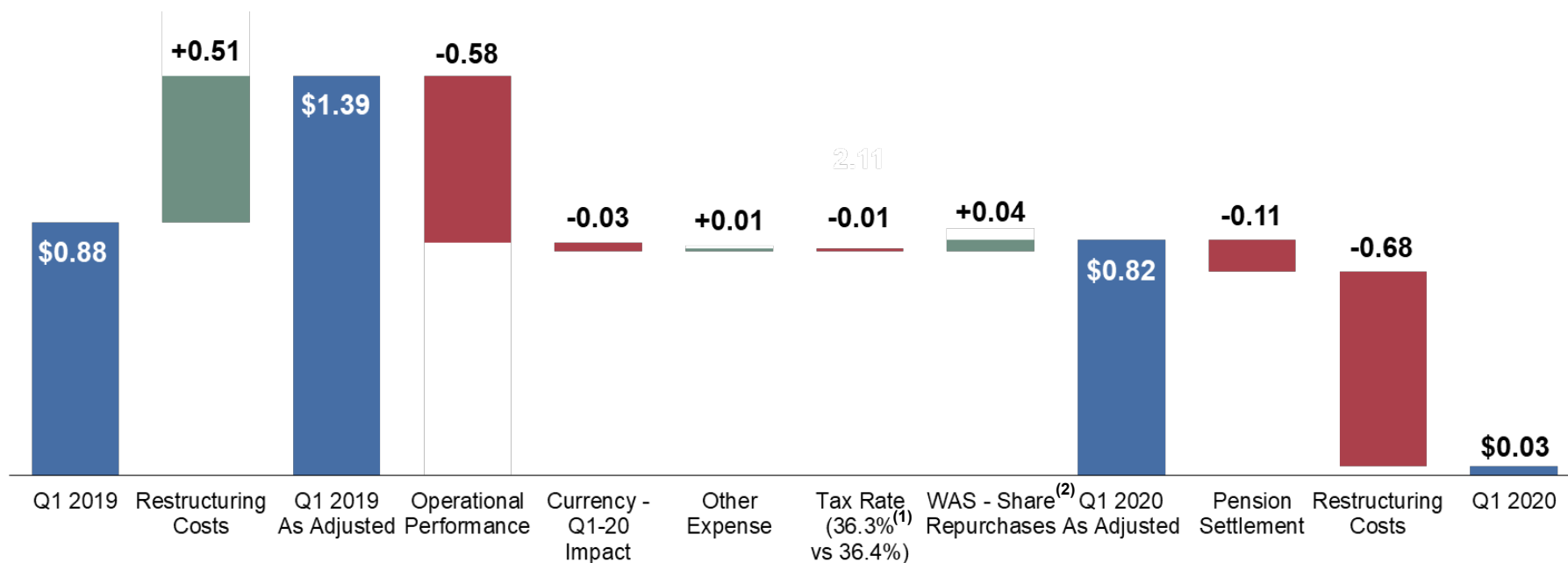
## Consolidated Financial Highlights

As Reported	As Adjusted <sup>(1)</sup>	Q1 Financial Highlights
↓ 8% ↓ 6% CC	↓ 8% ↓ 6% CC	<b>Revenue \$4.6B</b>
↓ 30 bps	↓ 30 bps	<b>Gross Margin 15.7%</b>
↓ 64% ↓ 63% CC	↓ 41% ↓ 39% CC	<b>Operating Profit \$38M</b> (\$86M as adjusted)
↓ 130 bps	↓ 100 bps	<b>OP Margin 0.8%</b> (1.9% as adjusted)
↓ 97% ↓ 95% CC	↓ 41% ↓ 39% CC	<b>EPS \$0.03</b> (\$0.82 as adjusted)

(1) As Adjusted figures exclude (a) \$48.2M (\$40.2 net of tax) of restructuring costs in Q1 2020, while Q1 2019 excludes \$39.8M (\$31.4 net of tax) of restructuring costs; and (b) the impact of a non-cash pension settlement expense of \$10.2M (\$6.3 net of tax) recorded in interest and other expenses below operating profit.

# ManpowerGroup 2020 First Quarter Results

## EPS Bridge – Q1 2020 vs. Q1 2019

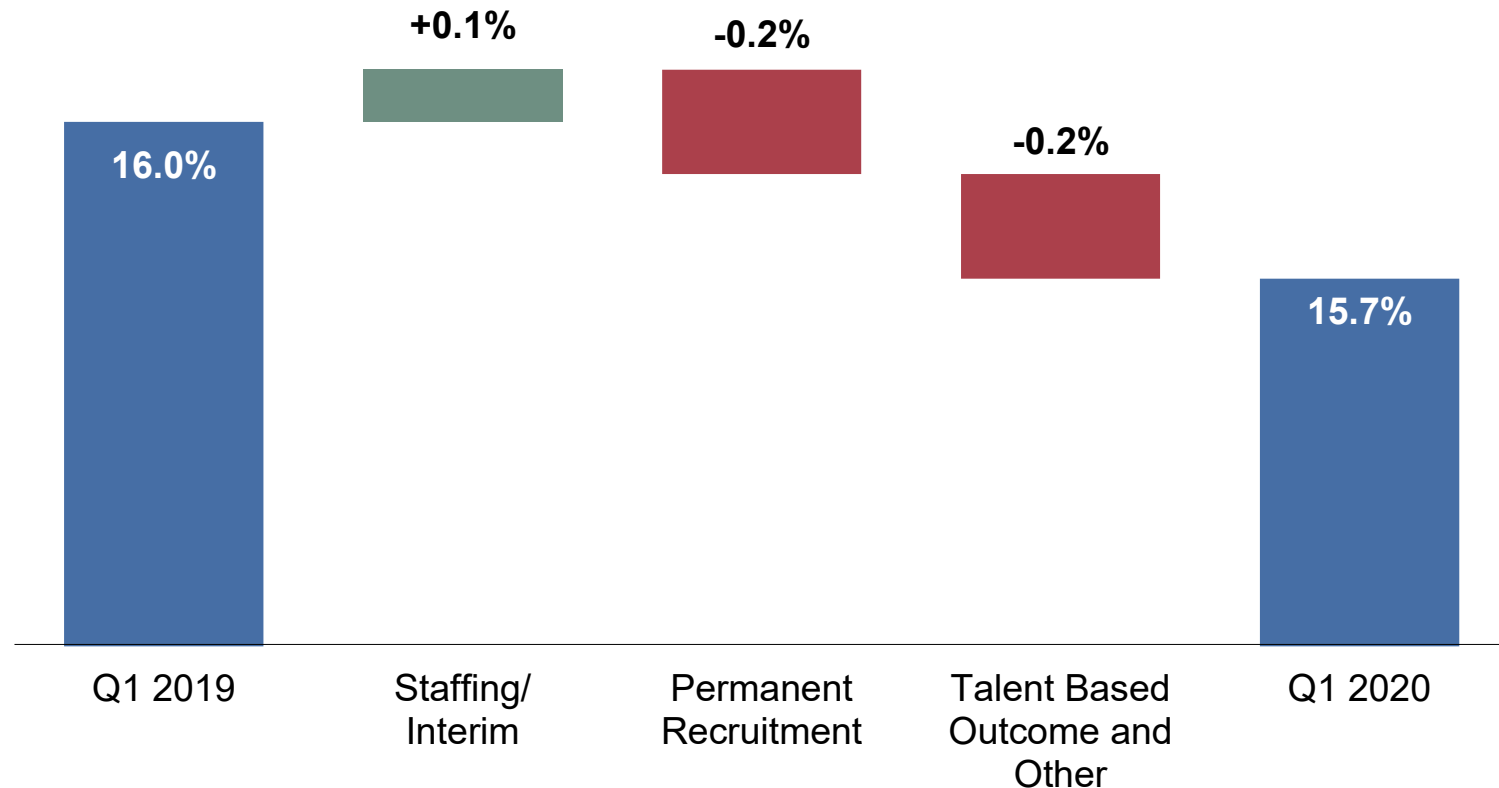


(1) Includes a discrete tax benefit of \$4.3 million in Q1 2020. French business tax component represents \$9.0 million of tax expense in Q1 2020 (\$11.4 million in Q1 2019) and is not derived based on pre-tax earnings but rather revenues of the French business

(2) Share repurchases made during Q1 2020 contributed 1 cent to the Q1 2020 EPS.

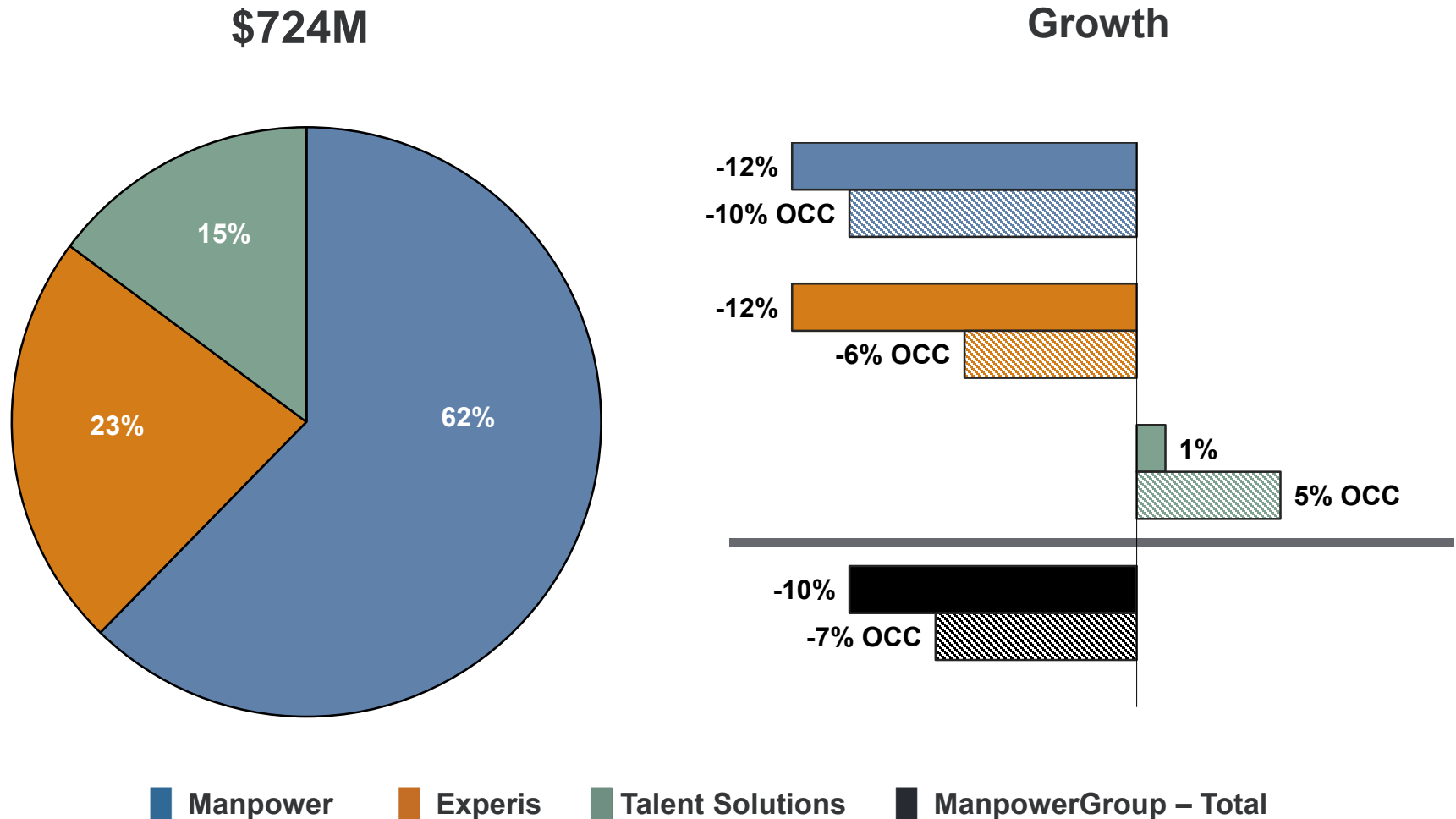
# ManpowerGroup 2020 First Quarter Results

## Consolidated Gross Margin Change



# ManpowerGroup 2020 First Quarter Results

## Business Line Gross Profit – Q1 2020<sup>(1)</sup>

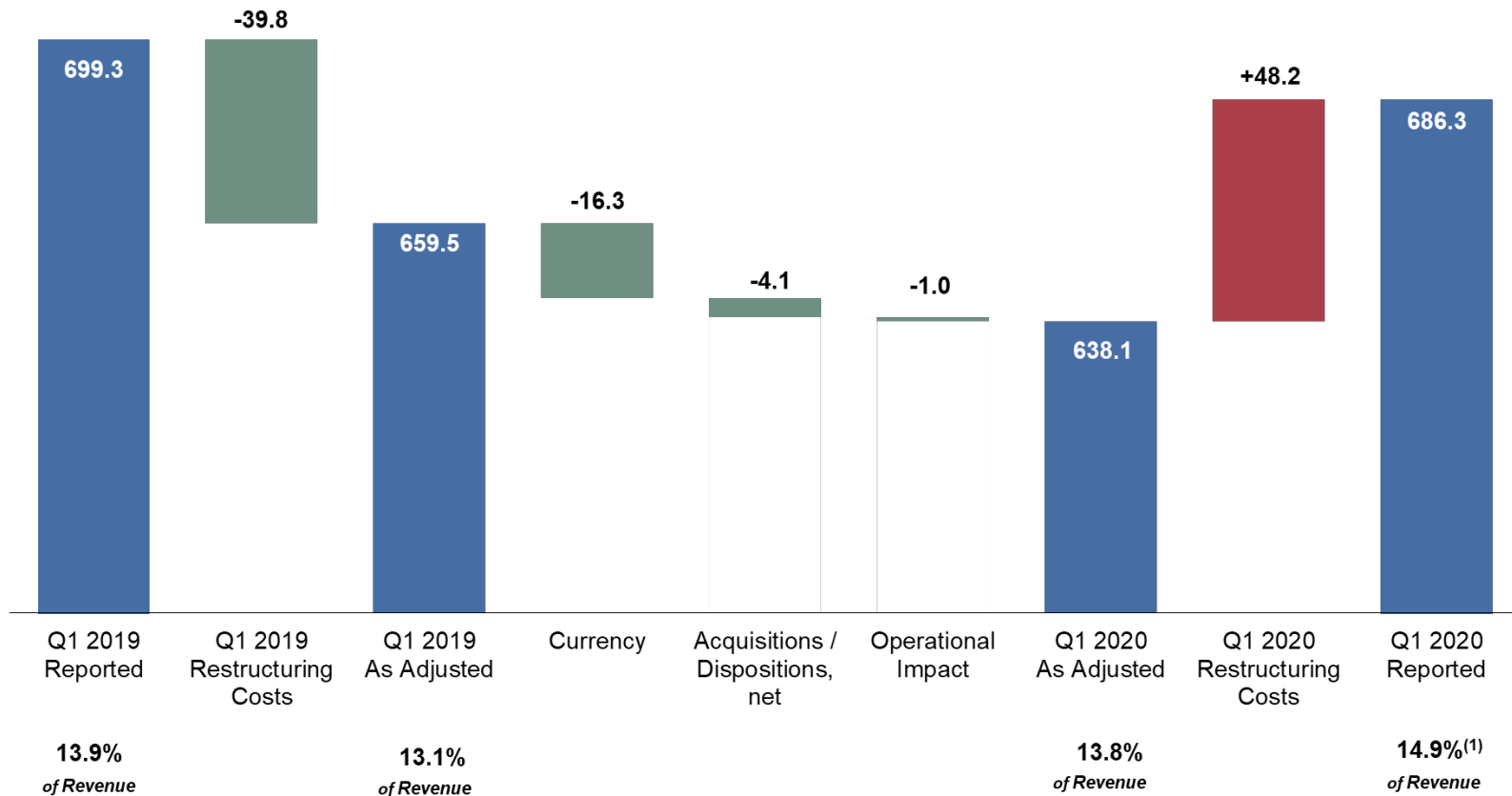


(1) Business line classifications can vary by entity and are subject to change as service requirements change.

# ManpowerGroup 2020 First Quarter Results

## SG&A Expense Bridge – Q1 YoY

(in millions of USD)



(1) This was unfavorably impacted 10 bps due to the effect of currency exchange rates on our business mix. In constant currency, SG&A excluding restructuring costs was 14.8% of Revenue.

# ManpowerGroup 2020 First Quarter Results

## Cash Flow Summary – Q1

(in millions of USD)	2020	2019
Net Earnings	2	54
Non-cash Provisions and Other	23	30
Change in Operating Assets/Liabilities	156	18
Capital Expenditures	(9)	(10)
Free Cash Flow	172	92
Change in Debt	(9)	3
Acquisitions of Businesses, including Contingent Considerations, net of cash acquired	-	(1)
Other Equity Transactions	4	(4)
Repurchases of Common Stock	(64)	(101)
Effect of Exchange Rate Changes	(29)	(18)
Other	-	3
Change in Cash	74	(26)

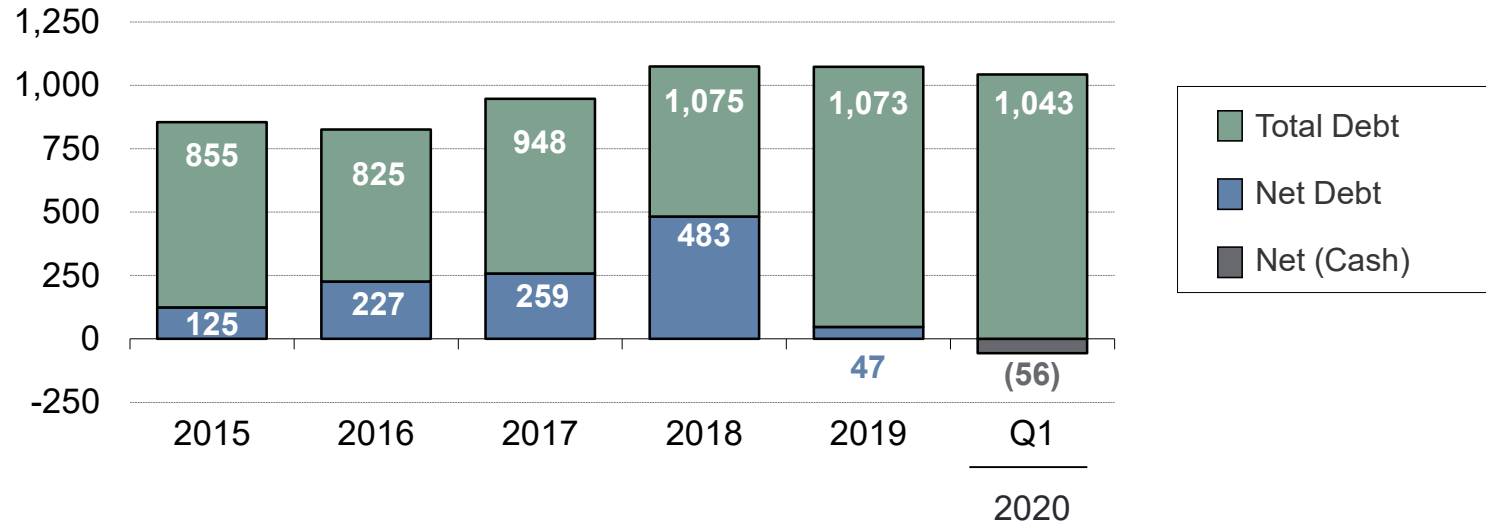


# ManpowerGroup 2020 First Quarter Results

## Balance Sheet Highlights

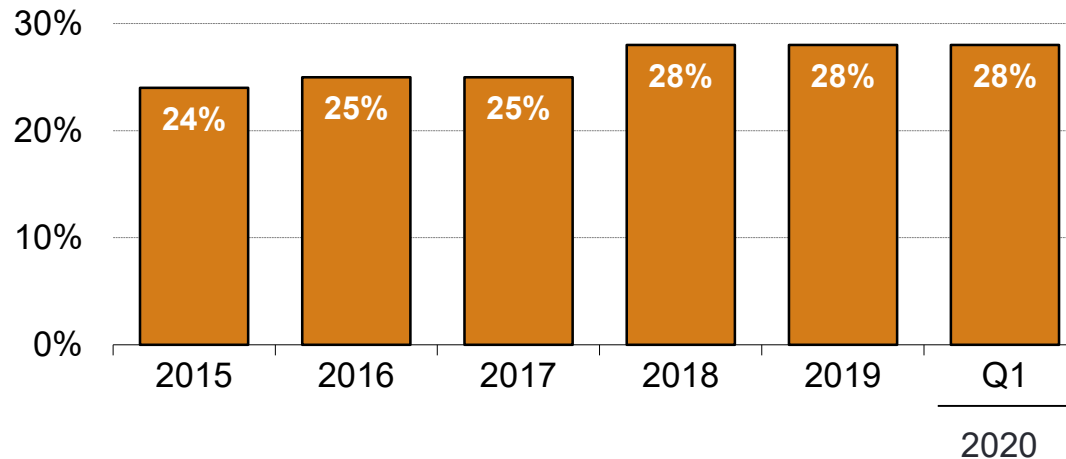
### Total Debt

(in millions of USD)



### Total Debt to

Total Capitalization



# ManpowerGroup 2020 First Quarter Results

## Debt and Credit Facilities – March 31, 2020

(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>547</b>	<b>-</b>
<b>Euro Notes - €400M</b>	<b>1.913%</b>	<b>Sep 2022</b>	<b>440</b>	<b>-</b>
<b>Revolving Credit Agreement<sup>(1)</sup></b>	<b>1.993%</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>56</b>	<b>270</b>
<b>Total Debt</b>			<b>1,043</b>	<b>869</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 0.48 and a fixed charge coverage ratio of 4.69 as of March 31, 2020. (In the agreement, net debt is defined as total debt less cash in excess of \$400M.) As of March 31, 2020, there were \$0.5M of standby letters of credit issued under the agreement.

(2) Represents subsidiary uncommitted lines of credit & overdraft facilities, which total \$326.3M. 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 2020 First Quarter Results

## Americas Segment (22% of Revenue)

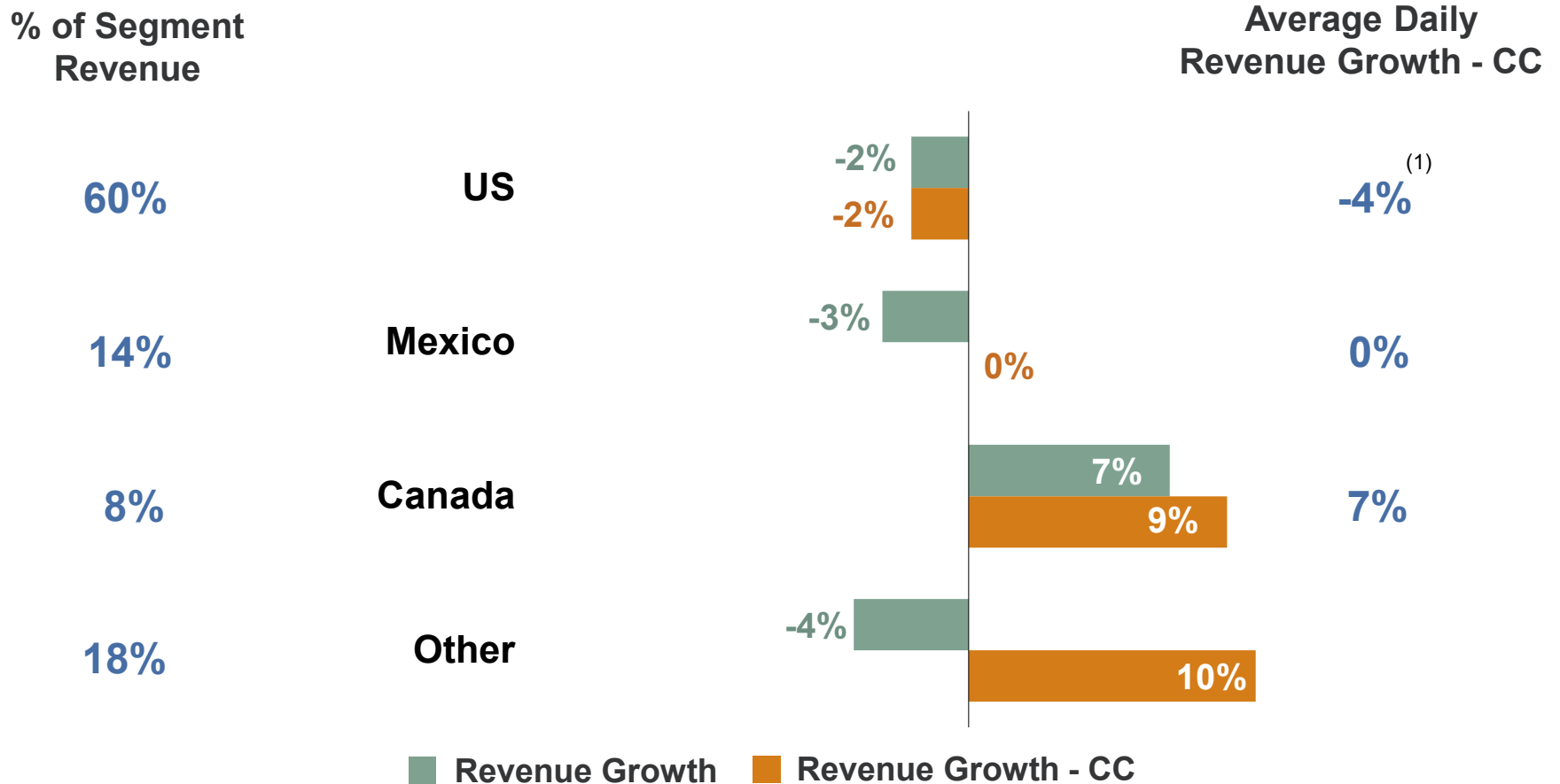
As Reported	As Adjusted <sup>(1)</sup>	Q1 Financial Highlights
 2%  1% CC	 2%  1% CC	Revenue <b>\$1.0B</b>
 48%  46% CC	 29%  26% CC	OUP <b>\$17M</b>
 150 bps	 110 bps	OUP Margin <b>1.6%</b>

(1) Excludes the impact of restructuring costs of \$12.8M (\$9.9 net of tax) in Q1 2020 and \$5.1M in Q1 2019.

**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.**

# ManpowerGroup 2020 First Quarter Results

## Americas – Q1 Revenue Growth YoY



(1) On an organic basis, revenue for the US decreased 5%. (ADR on an organic basis was -6%).

# ManpowerGroup 2020 First Quarter Results

## Southern Europe Segment (42% of Revenue)

As Reported	As Adjusted <sup>(1)</sup>	Q1 Financial Highlights
↓ 8% ↓ 5% CC	↓ 8% ↓ 5% CC	Revenue <b>\$1.9B</b>
↓ 39% ↓ 37% CC	↓ 28% ↓ 26% CC	OUP <b>\$53M</b>
↓ 140 bps	↓ 100 bps	OUP Margin <b>2.7%</b>

(1) Excludes the impact of restructuring costs of \$13.1M (\$10.3 net of tax) in Q1 2020 and \$5.4M in Q1 2019.



# ManpowerGroup 2020 First Quarter Results

## Southern Europe – Q1 Revenue Growth YoY

% of Segment  
Revenue

Average Daily  
Revenue Growth - CC

56%

France

-16%

-14%

-15%

17%

Italy

-8%

-5%

-5%

8%

Spain

2%

5%

4%

5%

Switzerland

*Acquired April 2019*

14%

Other

-8%

-7%

■ Revenue Growth ■ Revenue Growth - CC

# ManpowerGroup 2020 First Quarter Results

## Northern Europe Segment (23% of Revenue)

As Reported	As Adjusted <sup>(1)</sup>	Q1 Financial Highlights
↓ 11% ↓ 8% CC	↓ 11% ↓ 8% CC	Revenue <b>\$1.1B</b>
N/A	↓ 74% ↓ 72% CC	OUP <b>-\$14M</b>
↓ 150 bps	↓ 120 bps	OUP Margin <b>-1.3%</b>

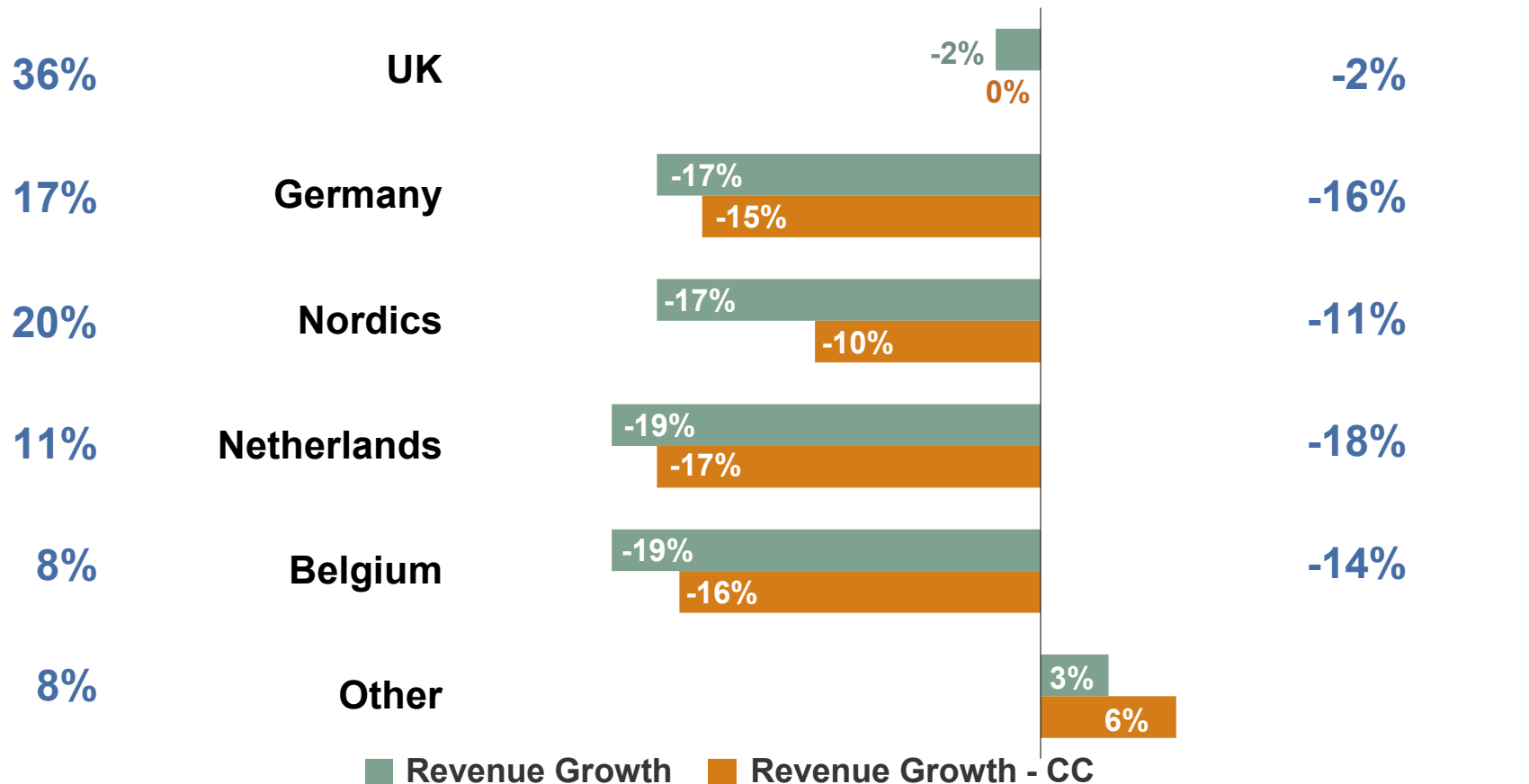
(1) Excludes the impact of restructuring costs of \$19.5M (\$18.1 net of tax) in Q1 2020 and \$18.7M in Q1 2019

# ManpowerGroup 2020 First Quarter Results

## Northern Europe – Q1 Revenue Growth YoY

% of Segment  
Revenue

Average Daily  
Revenue Growth - CC



# ManpowerGroup 2020 First Quarter Results

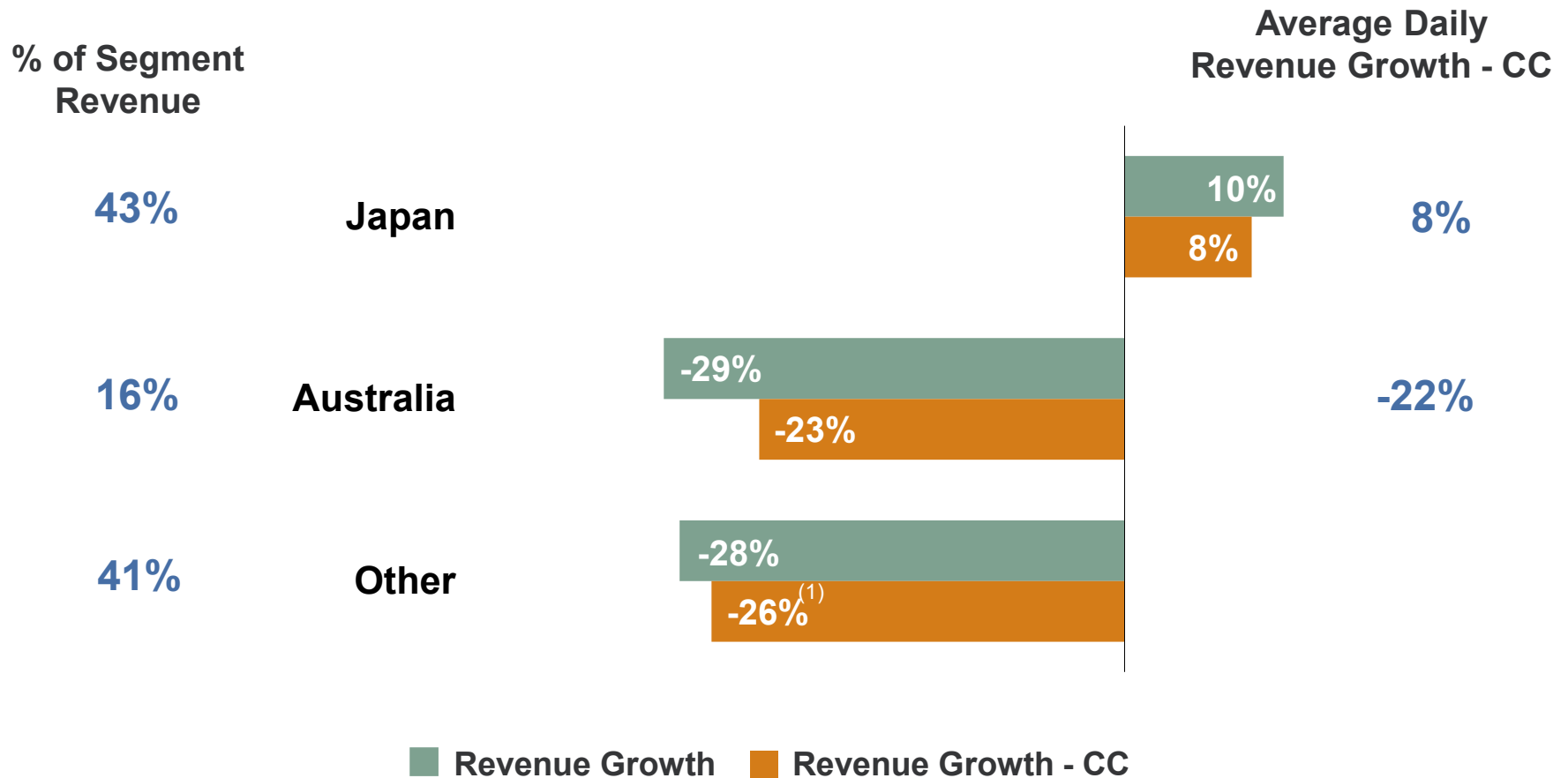
## APME Segment (13% of Revenue)

As Reported	As Adjusted <sup>(1)</sup>	Q1 Financial Highlights
↓ 16%	↓ 16%	Revenue <b>\$595M</b>
↓ 14% CC	↓ 14% CC	
↓ 18%	↓ 22%	OUP <b>\$17M</b>
↓ 17% CC	↓ 21% CC	
0 bps	↓ 30 bps	OUP Margin <b>2.9%</b>

(1) Excludes the impact of restructuring costs of \$2.7M (\$1.8 net of tax) in Q1 2020 and \$4.4M in Q1 2019

# ManpowerGroup 2020 First Quarter Results

## APME – Q1 Revenue Growth YoY



(1) On an organic basis excluding Greater China, revenue for APME Other increased 4% or +7% in constant currency.



# ManpowerGroup 2020 First Quarter Results

## Key Take Aways



Our number one priority is to support our clients, candidates and employees through this difficult health and economic crisis.



We have a very experienced global management team that has gone through a number of recessions and we come into this crisis with clear strategic priorities and a strong balance sheet.



We have built a more diversified business since the last recession. A larger portion of our business is dedicated to Experis and Talent Solutions.



We are focused on managing costs as efficiently as possible in the short-term while ensuring we continue to progress transformational actions which will allow us to accelerate our strategic priorities and emerge stronger when the economy shifts back to growth.