

ManpowerGroup

Earnings Results Transcript

Q3 2026 CONFERENCE CALL

SLIDE 1 – Jonas Prising

Good morning, everyone, and thank you for joining us for our Third Quarter 2026 Conference Call. Our Chief Financial Officer, Jack McGinnis; and our President and Chief Strategy Officer, Becky Frankiewicz, are both with me today. For your convenience, our prepared remarks are available in the Investor Relations section of our website at manpowergroup.com.

I'll begin with the leadership news we announced this morning, followed by a brief overview of the quarter. Becky will then discuss our results in more detail, provide an update on our transformation, and highlight the opportunities we are capturing with AI. Jack will then walk through the detailed financial results and our guidance for the fourth quarter of 2026. I'll close with a few comments before we open the line for Q&A.

Turning to Jack, who will cover the Safe Harbor language.

SLIDE 2 – Jack McGinnis

Good morning, everyone. This conference call includes forward-looking statements, including statements concerning economic and geopolitical uncertainty, which are subject to known and unknown risks and uncertainties. These statements are based on management's current expectations or beliefs. Actual results might differ materially from those projected in the forward-looking statements. We assume no obligation to update or revise any forward-looking statements.

Slide 2 of our earnings release presentation further identifies forward-looking statements made in this call and factors that may cause our actual results to differ materially and information regarding reconciliation of non-GAAP measures.

SLIDE 3 – Jonas Prising

Thank you, Jack.

Before we turn to today's results, I would like to begin with the leadership transition we announced this morning. I am delighted to share that as part of the board's long-term succession planning, Becky Frankiewicz will become our next Chief Executive Officer, and join ManpowerGroup's Board of Directors, effective January 1, 2027 and at that time, I will transition to the role of Executive Chair.

This transition reflects our commitment to leadership development, building world class talent from within, and the strength of our executive team. Becky and I have worked closely together on ManpowerGroup's ongoing transformation, and I have seen firsthand the exceptional leadership, strategic perspective and deep commitment that she brings to our company.

Becky knows our business inside and out. Through her leadership of our North America region and oversight of our global strategy and commercial performance, she has helped position ManpowerGroup for its next era of transformation, innovation, and profitable growth. At the same time, her broad leadership experience brings a fresh perspective that will continue to strengthen the company's future direction.

I am confident Becky brings the experience, judgement, and enterprise perspective to lead ManpowerGroup into its next chapter, and I look forward to working closely with her to ensure a seamless transition and supporting her in my role as Executive Chair.

Now, with that, let's turn to the quarter.

We delivered yet another quarter of solid performance, reflecting the strong traction we are building and representing another important step forward. The progress we have made reinforces our confidence that 2026 is an inflection point for the business, both as we realize the benefits of the strategic actions that we have taken over the last several years and as demand continues to improve.

Three key areas of strength stand out this quarter. The Manpower brand continues to deliver very strong results and gain share, particularly in the U.S. The Experis and Talent Solutions brands' performance both improved from the previous quarter. And alongside that commercial momentum, we are making meaningful progress on our transformation agenda and remain confident in our commitment to deliver \$200 million in permanent cost savings in 2028.

I will now cover consolidated performance before Becky goes deeper into our brand performance, regional highlights, and provides an update on our transformation and commercial strategy.

We continued to see top-line momentum in the quarter, delivering reported revenues of \$4.8 billion, representing organic constant currency growth of 6%. Systemwide revenue, including our expanded franchise revenue base, was \$5.3 billion. We know where we focus, we win. We continue to leverage our scale and global footprint and have focused on commercial efforts in the markets, verticals, and opportunities where demand is strongest and where we have a clear opportunity to win and capture profitable share.

Adjusted EBITA margin was 2.2%. Continued revenue growth, together with disciplined capacity management and continued SG&A optimization, resulted in improved operating leverage with 10 basis points of year-over-year margin expansion on a constant currency basis. Gross margin in the quarter reflected stable staffing margin from the previous quarter and a slightly softer permanent recruitment trend, notably in France, as well as lower Right Management outplacement volumes as layoff activity slowed in Q3.

We continue to actively shape our business toward higher-value opportunities where we are most differentiated. Our leadership team remains focused on executing against the current demand environment while positioning the company for the opportunities ahead. Simultaneously, our transformation remains on track against the objectives we laid out earlier this year.

The path forward for ManpowerGroup is clear. We believe that the inflection point we predicted is evident in our performance. As we build

momentum across the business with continued strength in Manpower, further recovery in Experis and Talent Solutions, and meaningful progress on our transformation, including cost reduction initiatives, we are very well positioned to deliver incremental growth and greater operating leverage over time.

Now let me turn it over to Becky.

SLIDE 3 – Becky Frankiewicz

Thank you, Jonas.

I want to start by thanking you for your leadership and the partnership we have shared. I appreciate the confidence you and the Board have placed in me. It is a privilege to take this organization forward to our next chapter.

ManpowerGroup has a strong legacy and a clear purpose. This is what drew me to this company and remains the foundation for our future. We see significant opportunities to accelerate our Human First, Digital Always approach - to deliver our strategy, expand our AI capabilities, and create even greater value for our clients, our candidates and our shareholders.

As I prepare to step into the role of Chief Executive Officer, we will continue to turn strategic vision to action - driving strong performance and positioning the company for even greater long-term success.

Now, turning to our third quarter performance.

We are successfully executing our strategy which is unlocking commercial momentum.

Growth is broadening across our brands and geographies, while our expanded digital capabilities are helping us win new clients and deepen existing relationships. Together, these drivers are strengthening our competitive position and reinforcing our confidence in the long-term opportunity ahead.

Within our Manpower brand, we delivered another very strong quarter, with ongoing revenue growth as demand conditions continued to strengthen.

Commercial staffing remained very positive, while professional staffing returned to growth during the quarter, providing another indicator of momentum across the business.

In the U.S., Manpower gained market share through new logos and expansion of wallet within existing clients, delivering our ninth consecutive quarter of growth with double-digit revenue growth and improved profitability. We saw continued solid demand across consumer goods, notably food manufacturing and logistics, as well as opportunities tied to automation and reshoring which are driving demand for specialized technical talent.

Outside the U.S., we saw encouraging performance across several of our European markets. Northern Europe accelerated from the previous quarter, led by strong growth in the U.K. and double-digit growth in Germany, driving significant year-over-year improvement in regional profitability, while Italy continued to execute well and maintain market leadership.

Experis, our technology talent and services business, saw improving trends globally, with U.S. Experis crossing to growth in the quarter. This marks an important inflection in performance, and we are encouraged by improved conditions in activity across financial services, healthcare and energy, as clients continue to invest in data governance, AI implementation, and cloud optimization. Our human + AI strategy is also gaining commercial traction, contributing to pipeline growth, deal wins, and higher-margin opportunity. This marks an important inflection in performance, and we are encouraged with the improvement we are seeing.

In Talent Solutions, the revenue trend improved from the second quarter. We continue to sharpen our focus across all our Talent Solutions lines of business – Right Management, Tapfin MSP and RPO, responding to the growing needs of global clients by further strengthening how we serve multinational accounts, creating a more seamless and consistent experience across markets. This is already creating the conditions to expand share of wallet with global clients by delivering greater business impact and stronger workforce outcomes.

Our momentum is not only being driven by improved demand, it is also being fueled by the actions we have taken to transform the business and position ourselves for long-term growth. We remain on track to deliver on our

target of permanent annual cost savings in 2028. Our recent efforts have been focused on the front office, at delivering greater speed and driving efficiencies through scale. In the U.S., the program is advancing in line with our expectations as we continue to redesign our sales and recruitment processes. We are now taking the next step by extending the program to the U.K., on our path to scaling to the rest of the world.

As we scale, our focus remains on creating a more efficient operating model, lowering our cost to serve, and improving productivity, while giving our teams both the tools and greater capacity to delight clients, candidates, and capture new growth.

Across all three brands, we are increasingly using AI to improve internal efficiency and to create differentiated value for clients and candidates while unlocking new growth opportunities. We continue to expand our AI-enabled talent screening capabilities, extending our scale across key markets including Italy and the US in Q3 – now reaching 70% of our revenue - improving fill rates while accelerating time to hire and enhancing the candidate experience.

We believe one of our greatest competitive advantages is our ability to combine talent, technology and trusted partnerships at scale. By building a broad ecosystem of industry-leading partners, we are bringing clients integrated solutions that accelerate their workforce, digital, and AI agendas. In an environment where clients are increasingly seeking outcomes rather than activity, our ability to connect talent, technology, and business transformation for greater impact will become a powerful differentiator.

Last quarter I spoke about our work with SoundHound AI and IBM WatsonX Orchestrate. Since then, we have continued to deepen partnerships across Europe with organizations including AWS, SAP and Microsoft, helping clients accelerate cloud, data and AI transformations. These partnerships are beginning to create tangible commercial impact, increasing share of wallet and deepening our integration into client transformation programs.

Overall, we are encouraged by the progress we are seeing as our strategy comes to life across the business, and we remain confident in the opportunities ahead.

I'll now turn it over to Jack to discuss our financial performance.

SLIDE 4 – Jack McGinnis

Thanks, Becky,

In the third quarter, we delivered reported revenues of \$4.8 billion. Systemwide revenue including franchises was \$5.3 billion. Our third quarter revenue results represented constant currency growth of 5%, which came in at the midpoint of our guidance range. Gross profit margin came in at 15.9%. As adjusted, EBITA was \$107 million, representing a 14% increase in constant currency compared to the prior year period. As adjusted, EBITA margin was 2.2%, up 10 basis points year-over-year, and came in at the midpoint of our guidance range.

Organic days-adjusted constant currency revenue increased 6% in the quarter, which came in at our midpoint of our guidance driven by our Manpower business.

SLIDE 5 – Jack McGinnis

Turning to the EPS bridge, reported earnings per share for the quarter was \$0.71. Adjusted EPS was \$1.01 and came in at the midpoint of our guidance range. Walking from our guidance midpoint of \$1.01, our results included a better operational performance of 1 cent and slightly higher weighted average shares in the quarter due to dilution associated with the increase in the share price which had a negative 1 cent impact. Restructuring costs and strategic transformation program costs represented 27 cents and a U.S. Jefferson Wells sale related item represented a 3 cents negative impact.

SLIDE 6 – Jack McGinnis

Next, let's review our revenue by business line. Year-over-year, on an organic constant currency basis, the Manpower brand had strong growth of 7% in the quarter, very close to the 8% growth in the second quarter. The Experis brand revenue trend was flat, an improvement from the 2% decline in the second quarter. The Talent Solutions brand was up 1% year-over-

year, an improvement from the second quarter result of flat. Within Talent Solutions, our RPO business continued the sequential revenue trend improvement from Q2 and crossed over to slight growth in the quarter. Our MSP business saw continued solid revenue growth, while Right Management declined during the quarter on lower outplacements.

SLIDE 7 – Jack McGinnis

Looking at our gross profit margin in detail, our gross margin came in at 15.9% for the quarter. Staffing margin was stable from the second quarter and on a year-over-year basis represented a 50 basis point reduction reflecting mix shifts year-over-year. This is an improvement from the 60 basis point decline in the second quarter. Permanent recruitment activity came in slightly softer than expected in France and select other markets and drove a 10 basis point decline. Right Management career transition within Talent Solutions contributed a 10 basis point reduction as outplacement activity decreased in the quarter.

SLIDE 8 – Jack McGinnis

Moving onto our gross profit by business line. During the quarter, the Manpower brand comprised 65% of gross profit, our Experis professional business comprised 19%, and Talent Solutions comprised 16%.

Our consolidated gross profit grew by 1% on an organic constant currency basis year-over-year, a continuation of the 1% increase in the second quarter.

Our **Manpower** brand grew 5% in organic constant currency gross profit year-over-year, stable from the 5% increase in the second quarter.

Gross profit in our **Experis** brand decreased 2% in organic constant currency year-over-year, a significant improvement from the 6% decrease in the second quarter.

Gross profit in **Talent Solutions** decreased 2% in organic constant currency year-over-year, which was an improvement from the 4% decrease in the second quarter. The improvement in trend was driven by RPO and

MSP. Right Management saw a gross profit decline in the quarter on decreased outplacement activity.

SLIDE 9 – Jack McGinnis

Reported SG&A expense in the quarter was \$685 million. SG&A, as adjusted, was down 2% on a constant currency basis. The year-over-year constant currency decreases largely consisted of reductions in operational costs of \$6 million. Dispositions represented a decrease of \$5 million while currency changes contributed to a \$3 million decrease. Adjusted SG&A expenses as a percentage of revenue represented 13.7% in constant currency in the third quarter. Adjustments represented restructuring and strategic transformation program charges of \$16 million and a U.S. Jefferson Wells disposition charge of \$2 million. Balancing gross profit growth with strong cost controls while funding ongoing transformation to enhance EBITA margin in both the short and long term remains one of our highest priorities.

SLIDE 10 – Jack McGinnis

The **Americas** segment comprised 26% of consolidated revenue. Revenue in the quarter was \$1.2 billion, representing an increase of 14% year-over-year on an organic constant currency basis. As adjusted, OUP was \$52 million and OUP margin was 4.2%. Restructuring charges of \$3 million represented actions in the U.S.

SLIDE 11 – Jack McGinnis

The **U.S.** is the largest country in the Americas segment, comprising 58% of segment revenues. Revenue in the U.S. was \$729 million during the quarter, representing a 9% organic days-adjusted increase compared to the prior year.

OUP, as adjusted, for our U.S. business was \$29 million in the quarter. OUP margin, as adjusted, was 4.0%.

Within the **U.S.**, the Manpower brand comprised 31% of gross profit during the quarter. Revenue for the Manpower brand in the U.S. increased

15% on a days-adjusted basis during the quarter. This marks nine consecutive quarters of growth and a continuation of strong performance from the 16% increase in the second quarter.

The Experis brand in the U.S. comprised 37% of gross profit in the quarter. Within Experis in the U.S., substantially all the revenues represent IT resourcing and services. Experis U.S. revenue was up 4%, on an organic days-adjusted basis during the quarter, an improvement from the flat result in the second quarter.

Talent Solutions in the U.S. contributed 32% of gross profit and saw a 5% increase in revenue year-over-year in the quarter, reflecting a stable rate of growth from the second quarter, driven by ongoing solid growth in RPO and strong growth in MSP. This was partially offset by declines in Right Management on lower outplacement activity in the quarter.

Overall, the U.S. had strong organic revenue growth in the third quarter, and we expect solid mid-single digit percentage growth in the fourth quarter.

SLIDE 12 – Jack McGinnis

Southern Europe revenue comprised 46% of consolidated revenue in the quarter. Revenue in Southern Europe was \$2.2 billion, representing 2% growth in constant currency during the third quarter. As adjusted, OUP for our Southern Europe business was \$69 million in the quarter and OUP margin was 3.1%. Restructuring charges of \$5 million represented actions taken in France.

SLIDE 13 – Jack McGinnis

France revenue equaled \$1.1 billion and comprised 51% of the Southern Europe segment in the quarter and was down 2% on a constant currency basis. As adjusted, OUP for our France business was \$27 million in the quarter. Adjusted OUP margin was 2.4%.

France revenue trends were slightly lower in the third quarter but the trend improved during the quarter. Based on trends in September and into early October, we expect a slightly improved year-over-year revenue trend in the fourth quarter.

Revenue in **Italy** equaled \$483 million in the third quarter reflecting an increase of 5% on a days-adjusted constant currency basis. OUP, as adjusted, equaled \$27 million and OUP margin was 5.7%. Our Italy business is executing well and leads in the market. We estimate a similar revenue rate in the fourth quarter.

SLIDE 14 – Jack McGinnis

Our **Northern Europe** segment comprised 18% of consolidated revenue in the quarter. Revenue of \$861 million represented a 6% increase in constant currency. OUP was \$8 million in the quarter. This represents year-over-year OUP improvement during the last four quarters reflecting the significant actions taken in the past.

SLIDE 15 – Jack McGinnis

Our largest market in the Northern Europe segment is the **U.K.**, which represented 33% of segment revenues in the quarter. During the quarter, the U.K. saw strong growth with revenues increasing 7% on a days-adjusted constant currency basis.

Germany had very significant growth during the quarter and the remaining countries in the region progressed as expected with largely stable to improving revenue trends.

SLIDE 16 – Jack McGinnis

The **Asia Pacific Middle East** segment comprises 10% of total company revenue. In the quarter, revenues equaled \$515 million representing an increase of 4% in constant currency. OUP was \$24 million and OUP margin was 4.6%.

SLIDE 17 – Jack McGinnis

Our largest market in the APME segment is **Japan**, which represented 57% of segment revenues in the quarter. Revenue in **Japan** grew 3% on a days-adjusted constant currency basis and we expect a similar level of revenue growth in the fourth quarter.

SLIDE 18 – Jack McGinnis

I'll now turn to cash flow and balance sheet. In the third quarter, free cash outflow was \$17 million compared to free cash flow of \$45 million in the prior year. Free cash flow was negatively impacted by the timing of MSP business payments at the end of the third quarter and will have a positive impact in the fourth quarter. Excluding the quarter end MSP items, free cash flow would have been a positive inflow of \$75 million. We expect very strong free cash flow in the fourth quarter.

At quarter end, days sales outstanding was 59 days, flat from the prior year. During the third quarter, capital expenditures represented \$9 million and we did not repurchase any shares.

SLIDE 19 – Jack McGinnis

Our balance sheet ended the quarter with cash of \$233 million and total debt of \$1.1 billion. Net debt equaled \$870 million at quarter-end which was relatively stable from June 30th. Our debt ratios at quarter-end reflect total gross debt to trailing twelve months Adjusted EBITDA of 2.6 and total debt to total capitalization at 34%. Detail of our debt and credit facilities arrangements are included in the appendix of the presentation.

SLIDE 20 – Jack McGinnis

Next, I'll review our outlook for the fourth quarter of 2026.

Our revenue guidance estimates ongoing solid growth in the fourth quarter. On a constant currency basis, this range is between a 3% increase and a 7% increase and at the midpoint is a 5% increase. Higher business

days this year and the impact of dispositions adjusts our organic days-adjusted constant currency revenue growth estimate to 4% at the midpoint.

We anticipate stable underlying staffing margin into the fourth quarter and estimate a GP margin of 15.9% at the midpoint.

EBITA margin for the fourth quarter is projected to be up 20 basis points year-over-year at the midpoint compared to the prior year. This represents an improvement from the run-rate EBITA margin expansion of 10 basis points in the first three quarters of 2026.

We estimate that the effective tax rate for the fourth quarter will be 44%.

We are forecasting earnings per share for the fourth quarter to be in the range of \$1.03 to \$1.13. We estimate our weighted average shares to be 48.3 million. This slightly higher share count is driven by the impact of our share price appreciation on the diluted share calculation over the last three months. The guidance range assumes a neutral foreign currency impact and our foreign currency translation rate estimates are disclosed at the bottom of the guidance slide.

I will continue to carve out any restructuring and global strategic transformation program costs and they are not included in the underlying guidance.

I will now turn it back to Jonas.

SLIDE 20 – Jonas Prising

Thank you, Jack. I'm pleased with our performance in Q3, which reflects continued progress across the business. Demand conditions continued to stabilize, and strong commercial execution translated into healthy organic revenue growth. At the same time, disciplined cost management helped us convert that growth into stronger operating performance. As we enter Q4, we remain focused on executing against the opportunities ahead, advancing our transformation and driving sustainable, profitable growth.

I know you'll join me in congratulating Becky on her appointment as our next CEO. I look forward to working closely with her in this next chapter – and to speaking with all of you on my last earnings call in January 2027. As always, thank you to our talented team for their relentless focus, and to our candidates and clients for your continued partnership with ManpowerGroup.

Operator, please open the line for questions.