

# Accelerating Performance IN THE HUMAN AGE



ManpowerGroup Fourth Quarter Results  
January 31, 2019

# 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 Fourth Quarter Results

## Consolidated Financial Highlights

As Reported	Q4 Financial Highlights
↓ 4% ↓ 1% CC	<b>Revenue \$5.4B</b>
↓ 30 bps	<b>Gross Margin 16.3%</b>
↓ 8% ↓ 4% CC	<b>Operating Profit \$218M</b>
↓ 20 bps	<b>OP Margin 4.0%</b>
↓ 21% ↓ 18% CC	<b>EPS \$2.54</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.

# ManpowerGroup 2018 Fourth Quarter Results

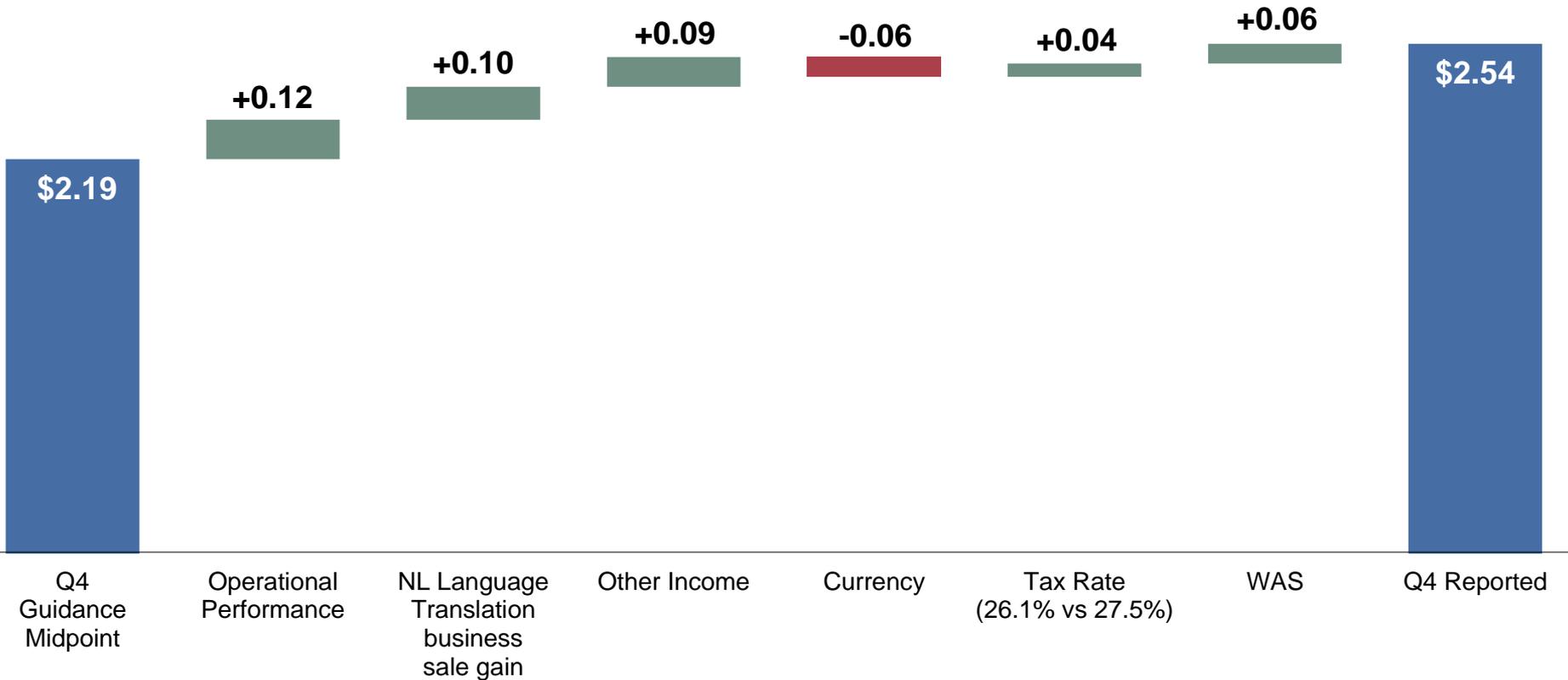
## Consolidated Financial Highlights

As Reported	Excluding Restructuring Costs <sup>(1)</sup>	2018 Financial Highlights
↑ 5%	↑ 5%	<b>Revenue \$22.0B</b>
↑ 2% CC	↑ 2% CC	
↓ 30 bps	↓ 30 bps	<b>Gross Margin 16.3%</b>
↑ 1%	↑ 1%	<b>Operating Profit \$797M</b> (\$836M excluding restructuring costs)
0% CC	0% CC	
↓ 20 bps	↓ 10 bps	<b>OP Margin 3.6%</b> (3.8% excluding restructuring costs)
↑ 6%	↑ 7%	<b>EPS \$8.56</b> (\$9.02 excluding restructuring costs)
↑ 5% CC	↑ 5% CC	

(1) Excludes the impact of restructuring costs of \$39.3M (\$29.9M net of tax) in H1 2018 and \$34.5M (\$27.8M net of tax) in H1 2017.

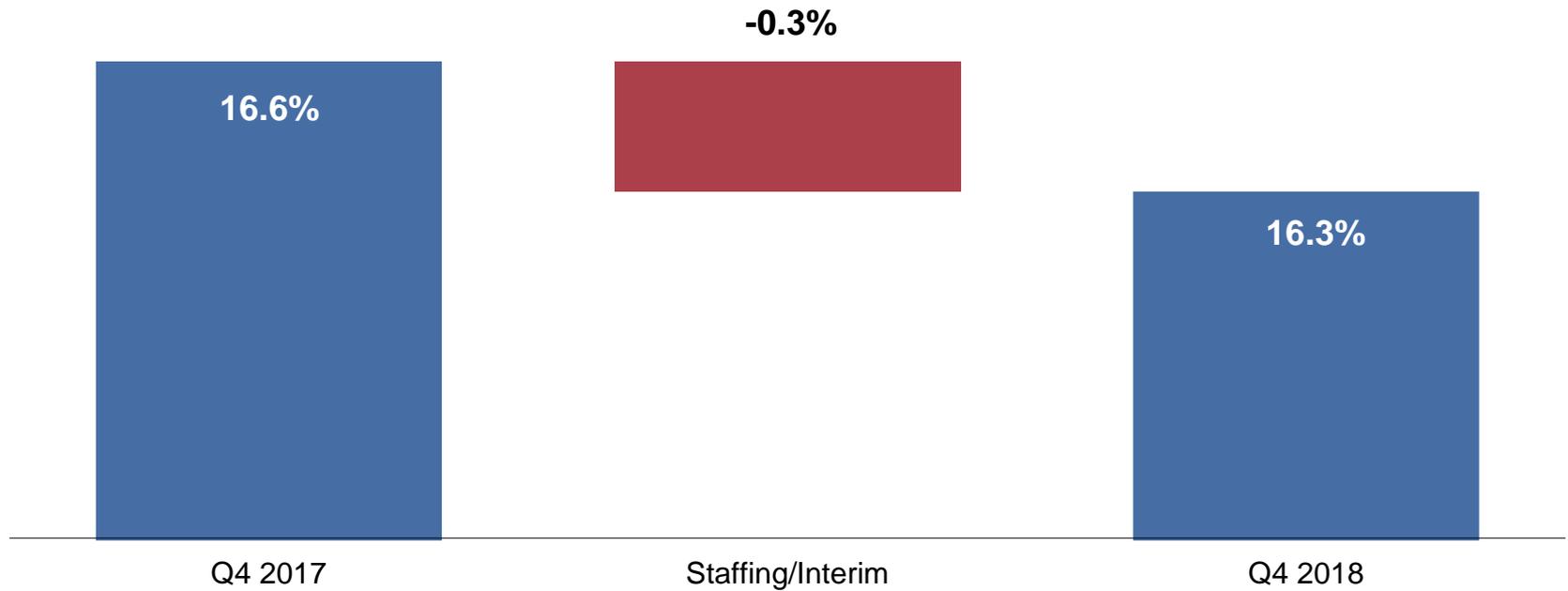
# ManpowerGroup 2018 Fourth Quarter Results

## EPS Bridge – Q4 vs. Guidance Midpoint



# ManpowerGroup 2018 Fourth Quarter Results

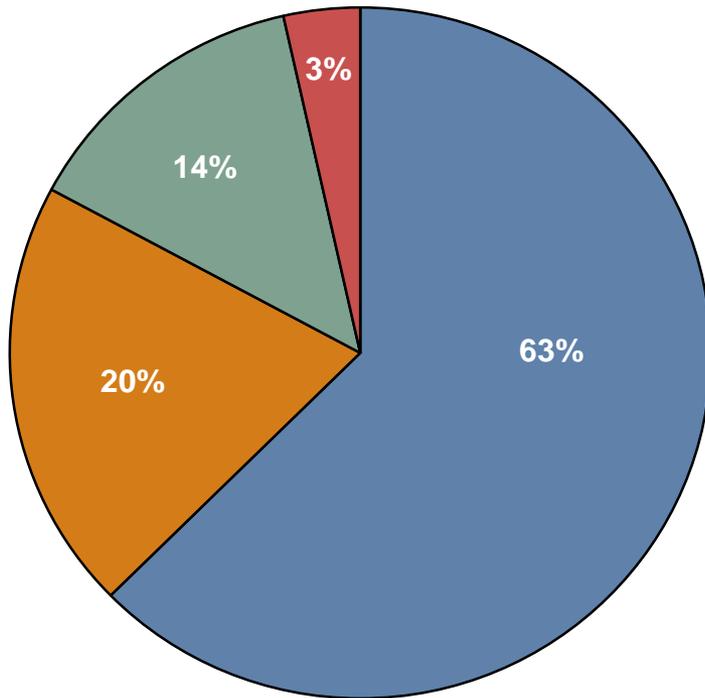
## Consolidated Gross Margin Change



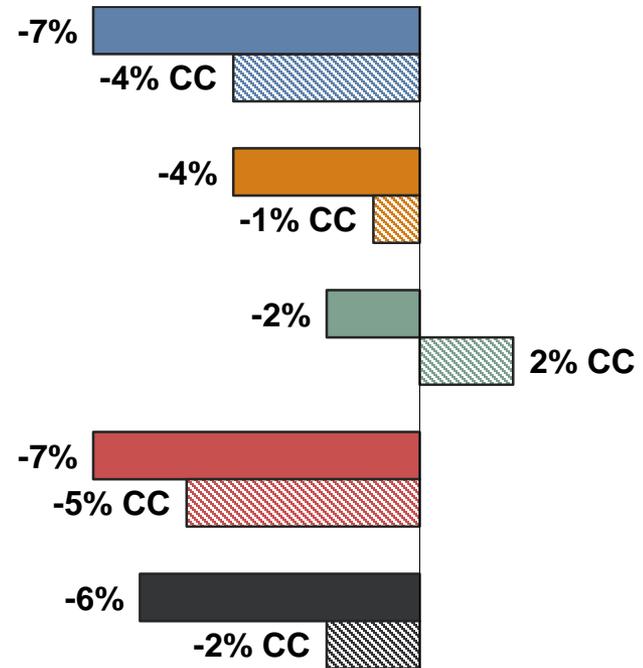
# ManpowerGroup 2018 Fourth Quarter Results

## Business Line Gross Profit – Q4 2018<sup>(1)</sup>

**\$880M**



### Growth



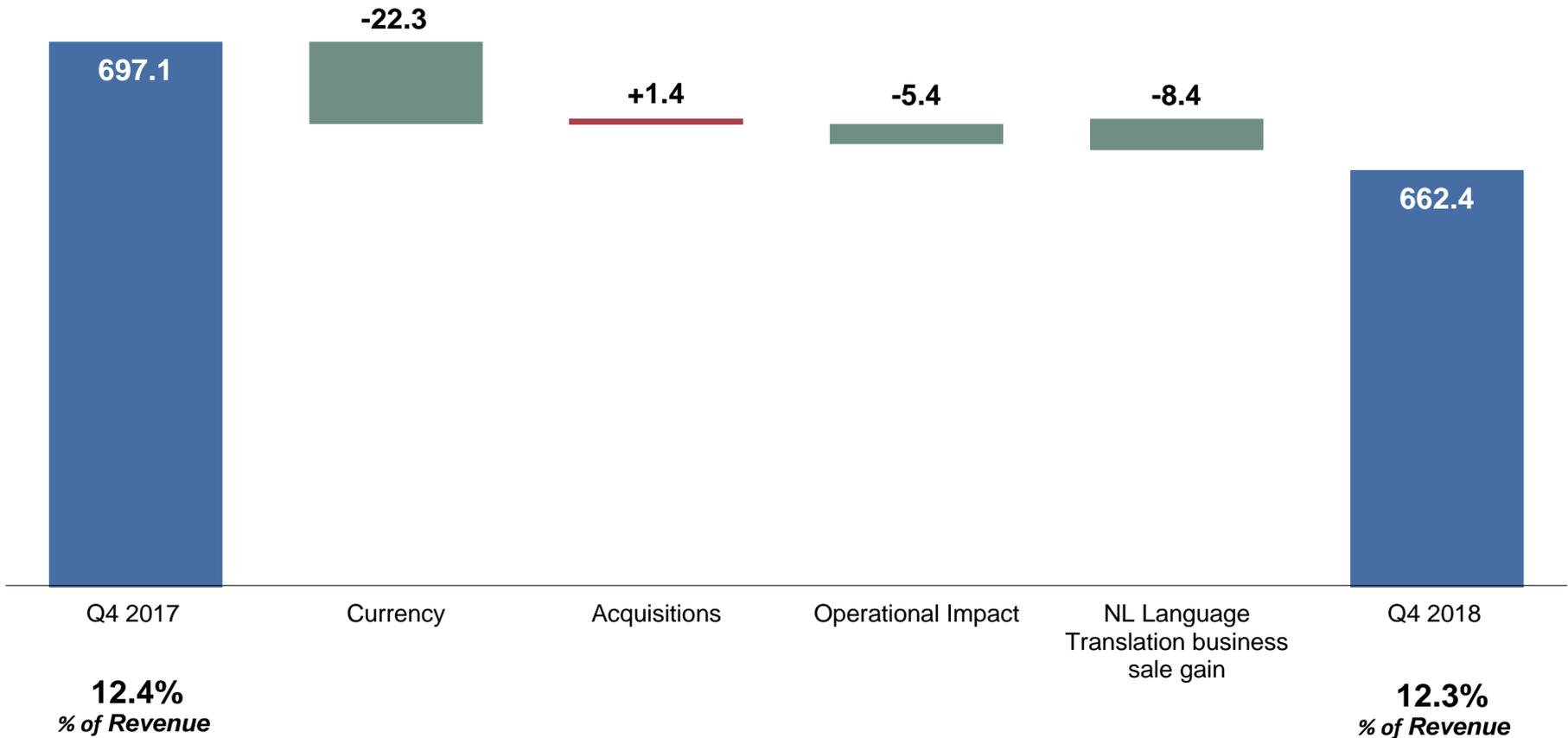
■ Manpower 
 ■ Experis 
 ■ ManpowerGroup Solutions 
 ■ Right Management 
 ■ ManpowerGroup – Total

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

# ManpowerGroup 2018 Fourth Quarter Results

## SG&A Expense Bridge – Q4 YoY

(in millions of USD)



# ManpowerGroup 2018 Fourth Quarter Results

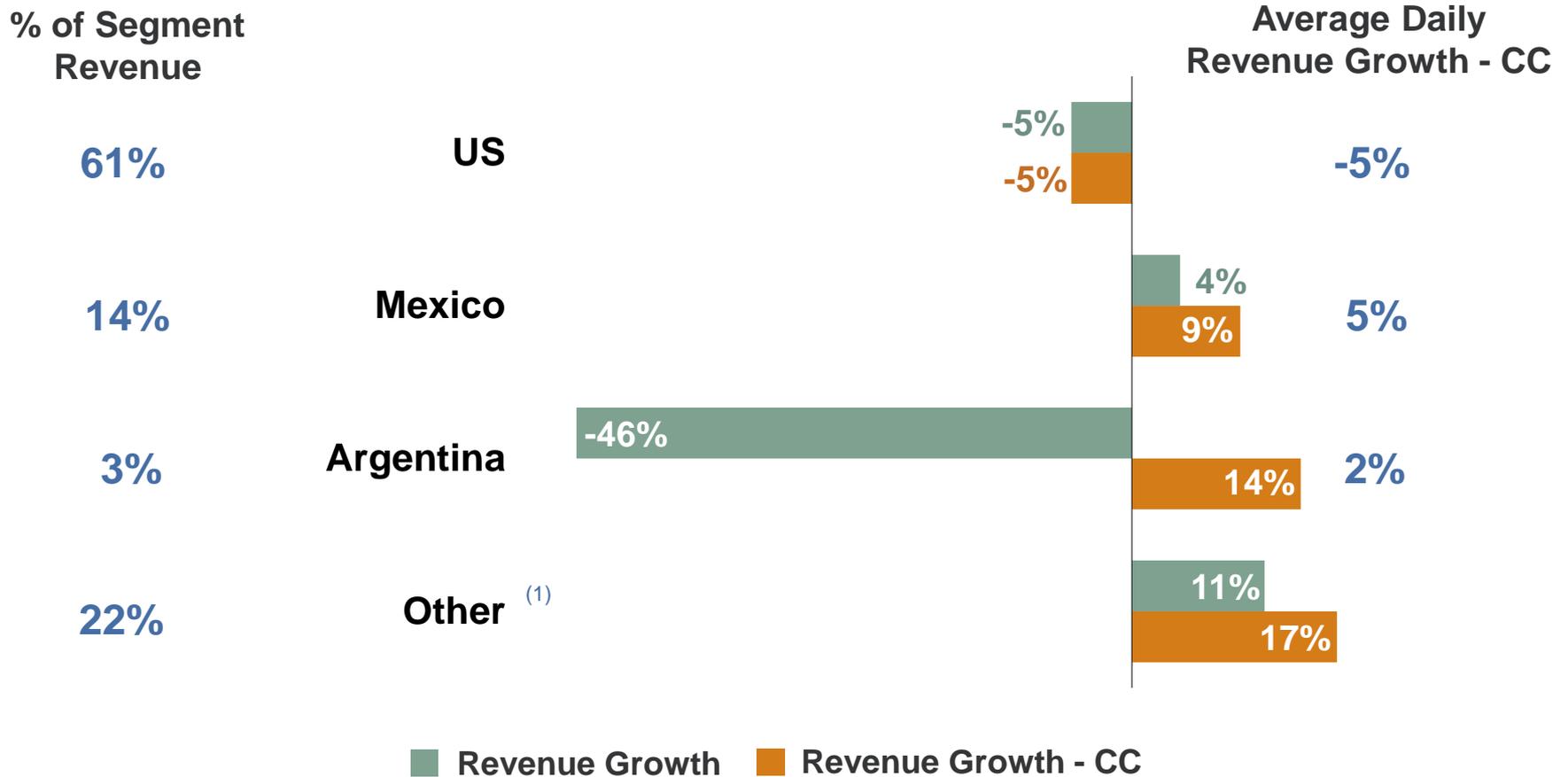
## Americas Segment (19% of Revenue)

As Reported	Q4 Financial Highlights
↓ 3%	<b>Revenue \$1.0B</b>
↑ 2% CC	
↓ 8%	<b>OUP \$53M</b>
↓ 3% CC	
↓ 30 bps	<b>OUP Margin 5.1%</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.

# ManpowerGroup 2018 Fourth Quarter Results

## Americas – Q4 Revenue Growth YoY



(1) On an organic basis, revenue for Other increased 6% (12% in constant currency).

# ManpowerGroup 2018 Fourth Quarter Results

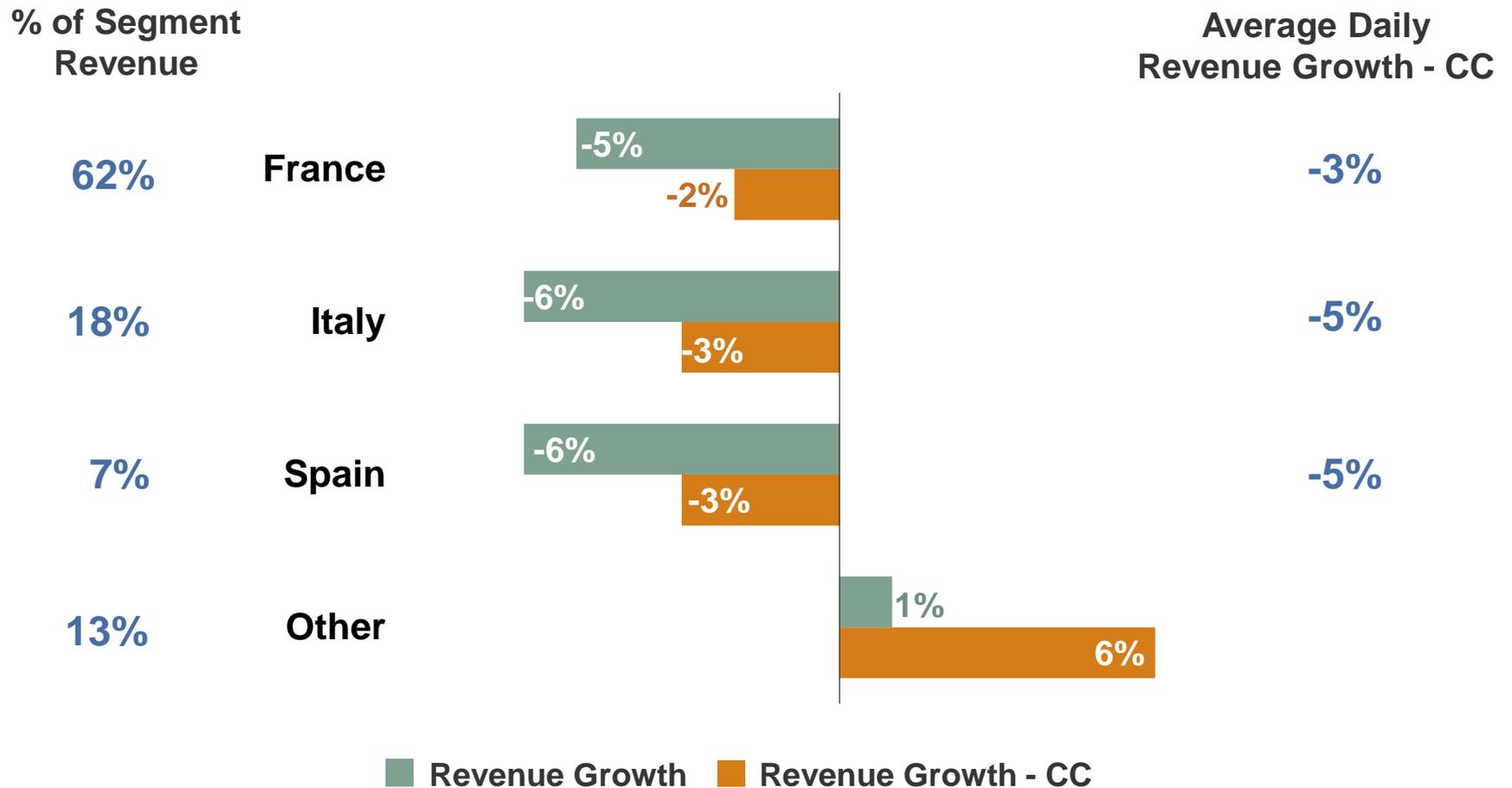
## Southern Europe Segment

(43% of Revenue)

As Reported	Q4 Financial Highlights
↓ 4%	<b>Revenue \$2.3B</b>
↓ 1% CC	
↓ 5%	<b>OUP \$127M</b>
↓ 2% CC	
↓ 10 bps	<b>OUP Margin 5.5%</b>

# ManpowerGroup 2018 Fourth Quarter Results

## Southern Europe – Q4 Revenue Growth YoY



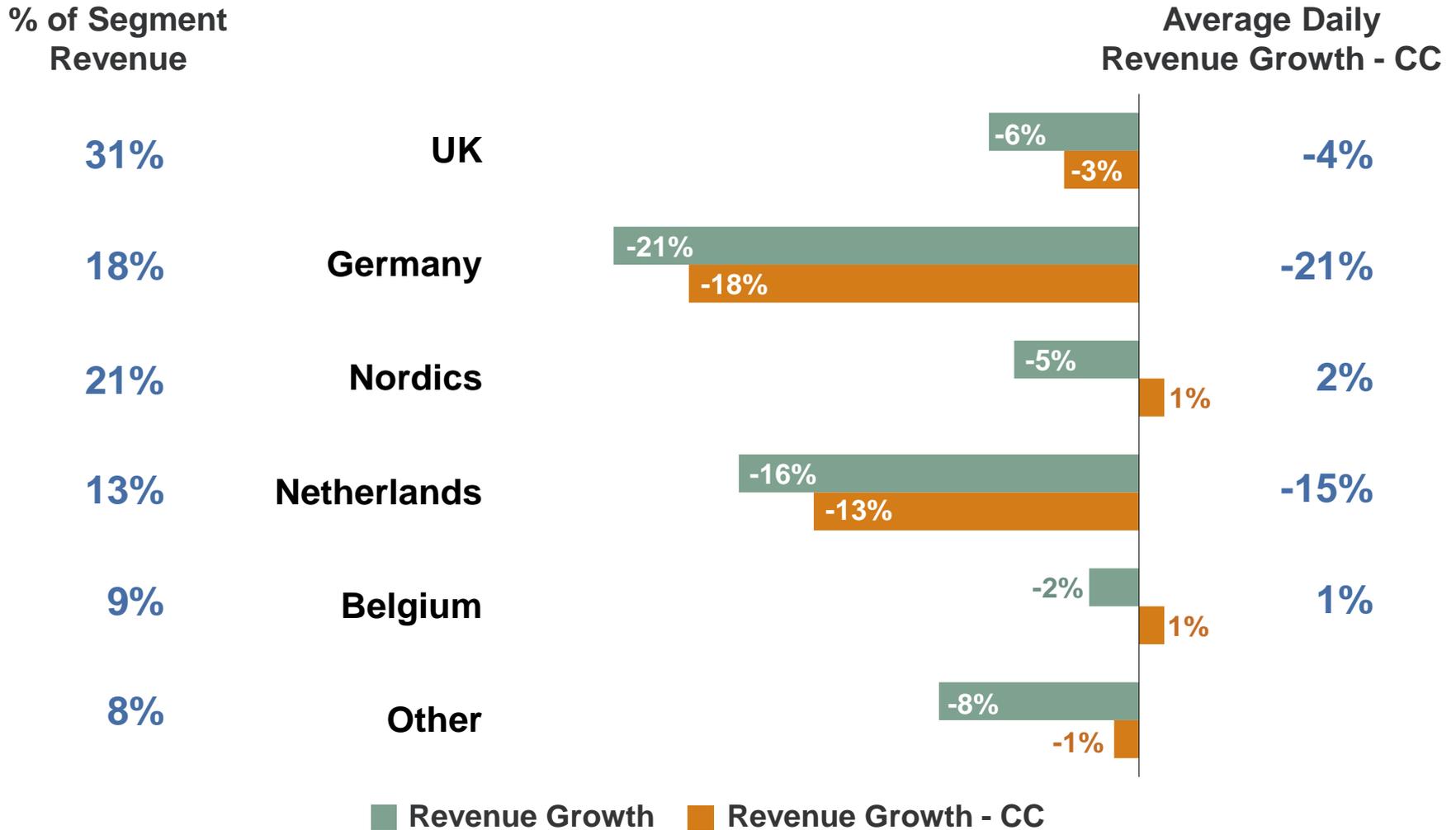
# ManpowerGroup 2018 Fourth Quarter Results

## Northern Europe Segment (24% of Revenue)

As Reported	Q4 Financial Highlights
↓ 10%	<b>Revenue \$1.3B</b>
↓ 7% CC	
↓ 10%	<b>OUP \$41M</b>
↓ 6% CC	
0 bps	<b>OUP Margin 3.2%</b>

# ManpowerGroup 2018 Fourth Quarter Results

## Northern Europe – Q4 Revenue Growth YoY



# ManpowerGroup 2018 Fourth Quarter Results

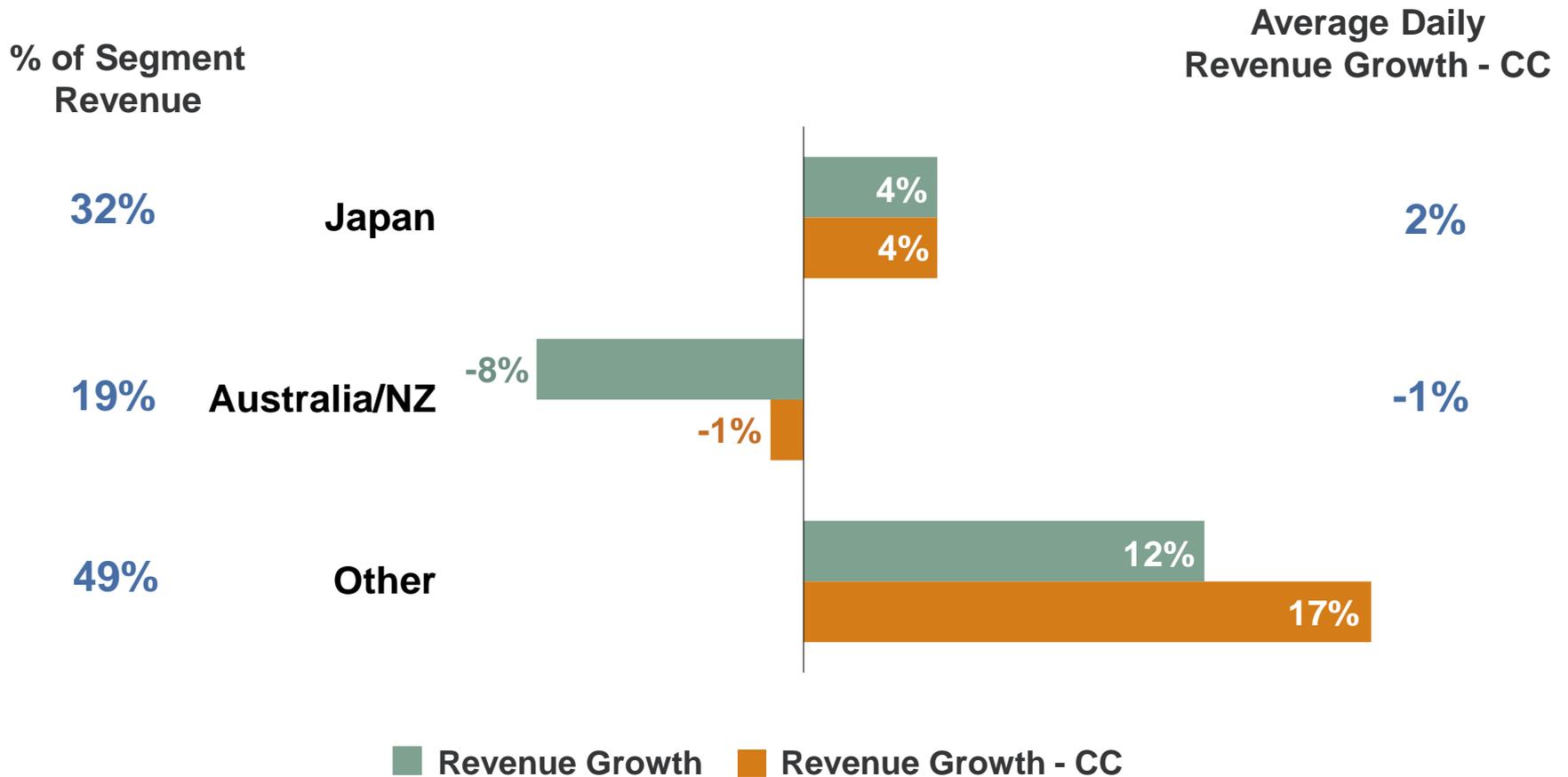
## APME Segment

(13% of Revenue)

As Reported	Q4 Financial Highlights
↑ 5%	Revenue <b>\$732M</b>
↑ 9% CC	
↓ 3%	OUP <b>\$27M</b>
0% CC	
↓ 30 bps	OUP Margin <b>3.7%</b>

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## APME – Q4 Revenue Growth YoY



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## Right Management Segment

(1% of Revenue)

As Reported	Q4 Financial Highlights
↓ 6%	<b>Revenue \$50M</b>
↓ 4% CC	
↓ 12%	<b>OUP \$9M</b>
↓ 10% CC	
↓ 130 bps	<b>OUP Margin 18.6%</b>

# ManpowerGroup 2018 Fourth Quarter Results

## Cash Flow Summary – Full Year

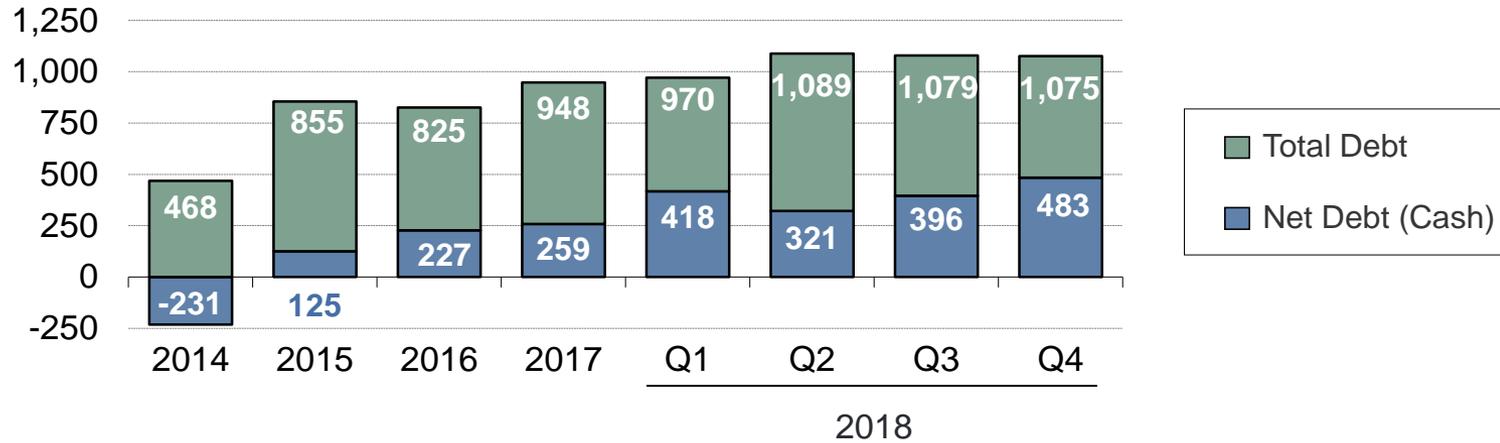
(in millions of USD)	2018	2017
Net Earnings	557	545
Non-cash Provisions and Other	124	(65)
Change in Operating Assets/Liabilities	(198)	(79)
Capital Expenditures	(65)	(55)
Free Cash Flow	418	346
Change in Debt	178	5
Acquisitions of Businesses, including Contingent Considerations, net of cash acquired	(28)	(46)
Other Equity Transactions	(14)	16
Repurchases of Common Stock	(501)	(204)
Dividends Paid	(127)	(124)
Effect of Exchange Rate Changes	(40)	83
Other	17	15
Change in Cash	(97)	91

# ManpowerGroup 2018 Fourth Quarter Results

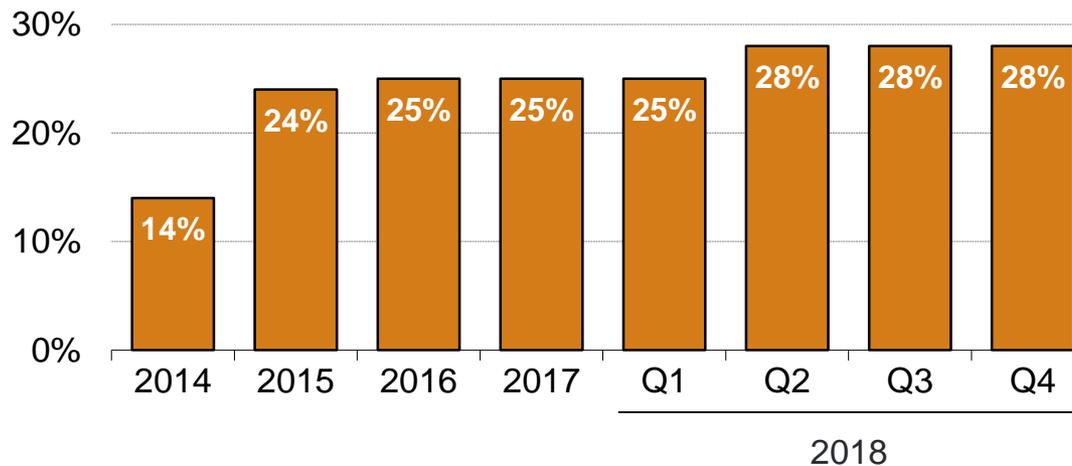
## Balance Sheet Highlights

### Total Debt

(in millions of USD)



### Total Debt to Total Capitalization



# ManpowerGroup 2018 Fourth Quarter Results

## Debt and Credit Facilities – December 31, 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>568</b>	<b>-</b>
<b>Euro Notes - €400M</b>	<b>1.913%</b>	<b>Sep 2022</b>	<b>457</b>	<b>-</b>
<b>Revolving Credit Agreement<sup>(1)</sup></b>	<b>3.50%</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>50</b>	<b>269</b>
<b>Total Debt</b>			<b>1,075</b>	<b>868</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 0.97 and a fixed charge coverage ratio of 5.35 as of Dec 31, 2018. As of Dec 31, 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 \$319.9M. 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 Fourth Quarter Results

## First Quarter 2019 Outlook

<b>Revenue</b>	<b>Total</b>	Down 10-12% (Down 3-5% CC)
	<b>Americas</b>	Down 3-5% (Flat/Up 2% CC)
	<b>Southern Europe</b>	Down 10-12% (Down 3-5% CC)
	<b>Northern Europe</b>	Down 16-18% (Down 8-10% CC)
	<b>APME</b>	Down 6-8% (Flat/Down 2% CC)
	<b>Right Management</b>	Down 5-7% (Down 1-3% CC)
<b>Gross Profit Margin</b>		15.9 – 16.1%
<b>Operating Profit Margin</b>		2.8 – 3.0%
<b>Tax Rate</b>		37.0%
<b>EPS</b>		\$1.30 – \$1.38 (unfavorable \$0.13 currency)

# ManpowerGroup 2018 Fourth Quarter Results

## Key Take Aways



Fourth quarter results reflect the continued sluggish economic environment in Europe. We continue to execute on our strategic priorities while managing costs and productivity.



Implementation of leading technology continues to be a priority throughout our global operations.



Our global footprint, portfolio of services and emerging markets strength provide strong growth opportunities in the current environment demonstrating the value of our diversification.



Our people are the reason we have been named one of Fortune Magazine's World's Most Admired Companies for the 17<sup>th</sup> time.