

# Accelerating Performance IN THE HUMAN AGE

Investor Presentation | December 2018

# Forward-Looking Statement

This presentation includes forward-looking statements which are subject to known and unknown risks and uncertainties. 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 can be found in the Company's Annual Report on Form 10-K dated December 31, 2017. Forward-looking statements can be identified by forward-looking words such as "expect," "anticipate," "intend," "plan," "may," "will," "believe," "seek," "estimate," and similar expressions.

*Please note that ManpowerGroup's 2017 Form 10-K is available online at [www.manpowergroup.com](http://www.manpowergroup.com) in the section titled "Investor Relations." This presentation includes constant currency growth rates, which are further explained in our 10-K.*

# 70 Years of Global Workforce Expertise

## Global Workforce Solutions Company

**Source** *IT Staffing* *Project Solutions*  
*Professional Recruiting*  
*Permanent Recruiting* *Contingent Staffing*

**Develop** *Leader Development*  
*Skills Training*  
*Talent Assessment* *Workforce Planning*

**Manage** *Career Mobility* *End-User Services*  
*Managed Service Provider*  
*Career Transition* *Recruitment Process Outsourcing*  
*Workforce Consulting*

- ▶ Providing meaningful work for over **600,000** people everyday
- ▶ Connecting **millions** of job seekers with work every year, globally
- ▶ Finding talent solutions for clients from small/medium to Fortune 100 companies



Revenues of  
**\$21 billion**



**80**

Countries &  
Territories



**2,700**

Offices



**29K**

Employees

# Globally Recognized Leader

## Recent Accolades



One of the World's Most Ethical Companies for the ninth year - more than any organization in the industry



FTSE4Good

Named to FTSE4Good Index for nine consecutive years



Recognized as one of the most sustainable companies in the professional services industry for three consecutive years in 2018



Named to the DJSI - the gold standard for corporate sustainability leaders - for nine consecutive years



Earned Gold rating on EcoVadis social, ethical and environmental sustainability assessment since 2012



Received a perfect score on the Corporate Equality Index for the fourth consecutive year



Recognized by 2020 Women on Boards campaign as a Winning "W" Company annually since 2011



Named one of Fortune's World's Most Admired Companies for the sixteenth year



Earned RPO leader designation for six consecutive years and TAPFIN is recognized as an MSP leader for third year in a row



Named global RPO leader for seven consecutive years and TAPFIN is recognized as MSP leader for the fifth consecutive year



Ranked 143 on the 2018 FORTUNE 500



Ranked 1,297 on the 2018 Global 2000



One of America's Top Corporations for Women's Business Enterprises for nine consecutive years



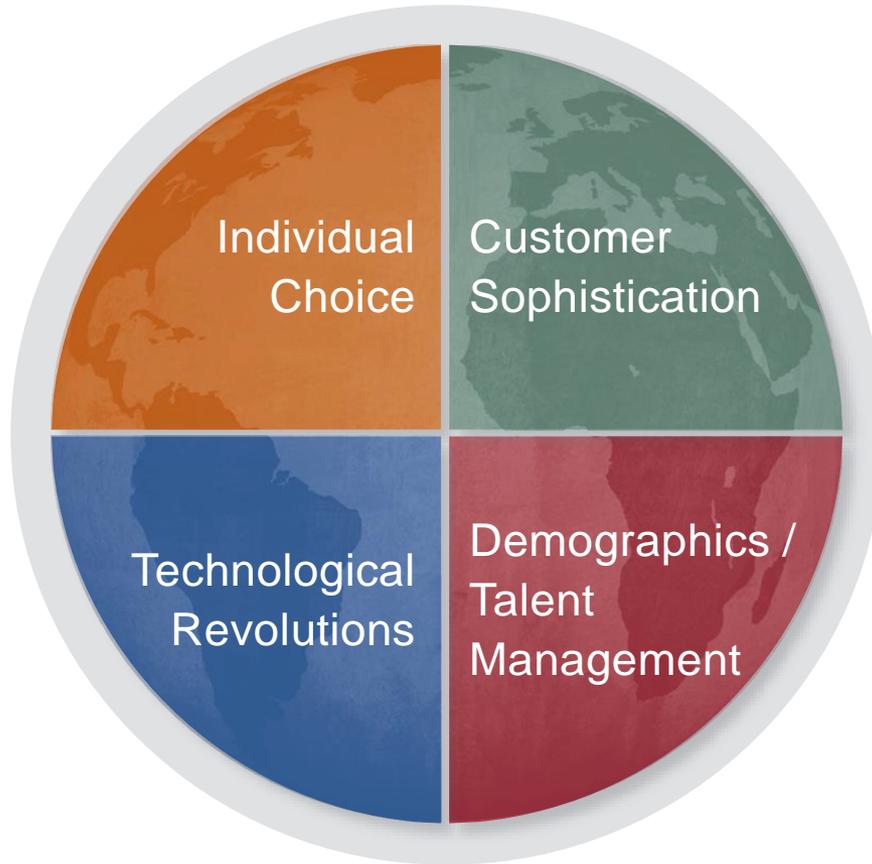
One of Corporate Responsibility magazine's 100 Best Corporate Citizens for five consecutive years



Selected in 2018 as an inaugural member in the NAACP Equity Inclusion and Empowerment Index

# Forces Driving Client Priorities

This time of  
**CERTAIN  
UNCERTAINTY**  
and change  
**REQUIRES** new  
ways of getting  
work done



Our  
**INNOVATIVE  
WORKFORCE  
SOLUTIONS**  
provide flexibility  
and agility to our  
clients as they  
face these  
challenges

# Our Vision, Strategy and Values



We lead in the creation and delivery of **INNOVATIVE WORKFORCE SOLUTIONS** and services that enable our clients to win in the changing world of work.

VISION



Deliver **INNOVATIVE WORKFORCE SOLUTIONS** to our large global and local clients by leveraging our:

- Global Footprint
- Extensive Portfolio of Products/Offerings
- Collaborative Organization Model

STRATEGY



VALUES



People  
Knowledge  
Innovation

# 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.**

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

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

# Profitable Growth Through Value Creation

- Workforce experts providing world-leading workforce solutions
- Flexibility to meet their talent needs
- Frictionless interaction
- Tailored solutions for each client – one size fits one
- Globally diversified with a superior global footprint

**For our Clients**

**For our Candidates**

- Provide candidates with skills and the best opportunities to meet their career goals
- Frictionless recruiting
- Associate apps to enhance connection with candidates and associates

**Profitable Growth**

## **Our Employees**

- Passionate; highly trained
- Strength in our last-mile delivery
- Skill focus
- Strong culture of collaboration and diversity
- Recognized for corporate social responsibility
- High employee engagement and net promoter scores

**Enabled by Technology**

# Powering the Future of Work – Enabled by Technology



## Enhanced digital experience through ManpowerGroup Digital Ecosystem



**DATA ANALYTICS**



**NEXT GEN APPLICATION**



**DATA CENTER CONSOLIDATION  
FOCUS ON CYBERSECURITY**

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

# 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

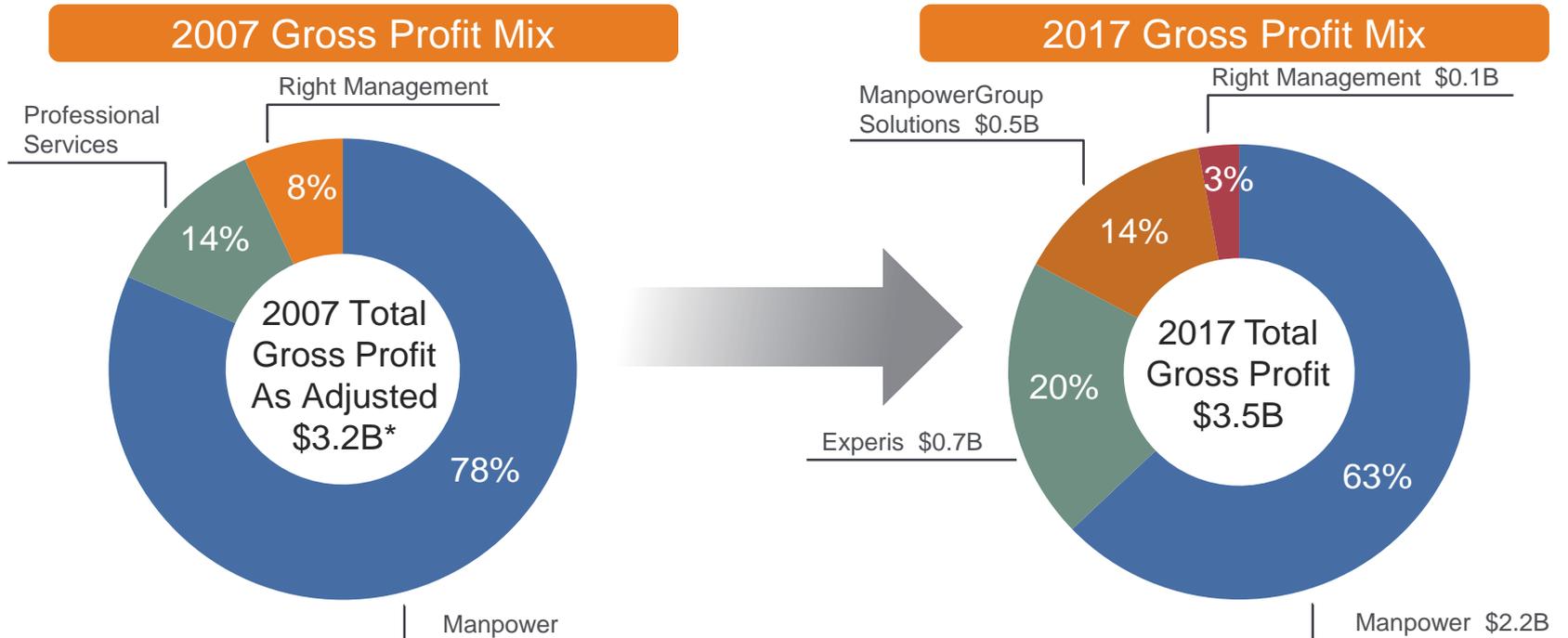
Drive higher growth and gross margin while investing more in changing our business mix

- Core growth in Experis IT
- Innovative talent resourcing
- Permanent recruitment growth
- Delivery excellence
- RPO, MSP, Proservia, TBO
- Expert workforce solutions that deliver performance
- Career Transition / Talent Management & Assessment
- Tailored solutions to improve the effectiveness of organizations and individuals

## Digitally-Fueled Transformation

## Sustainability, Mission and Values

# Shift Toward Higher Value Solutions and Services

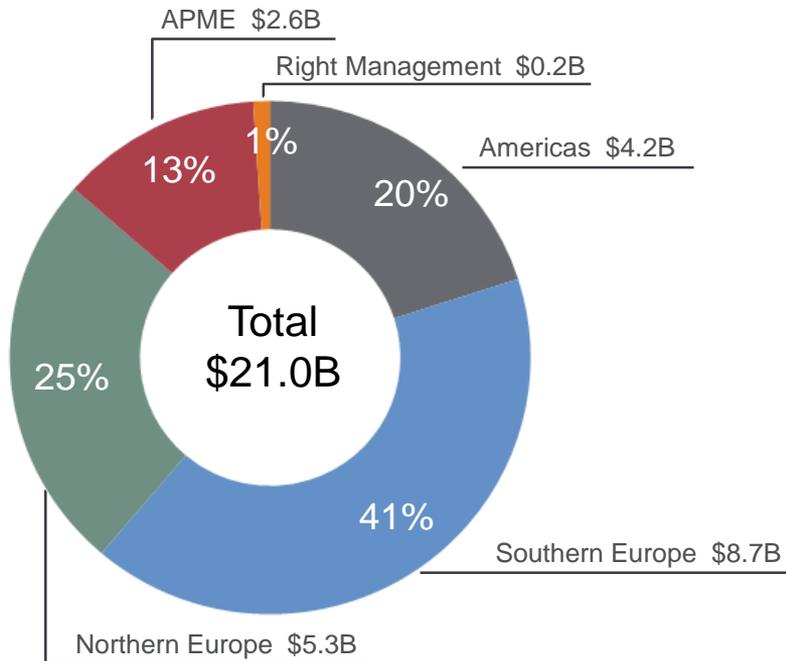


\* Amount calculated using 2017 exchange rates

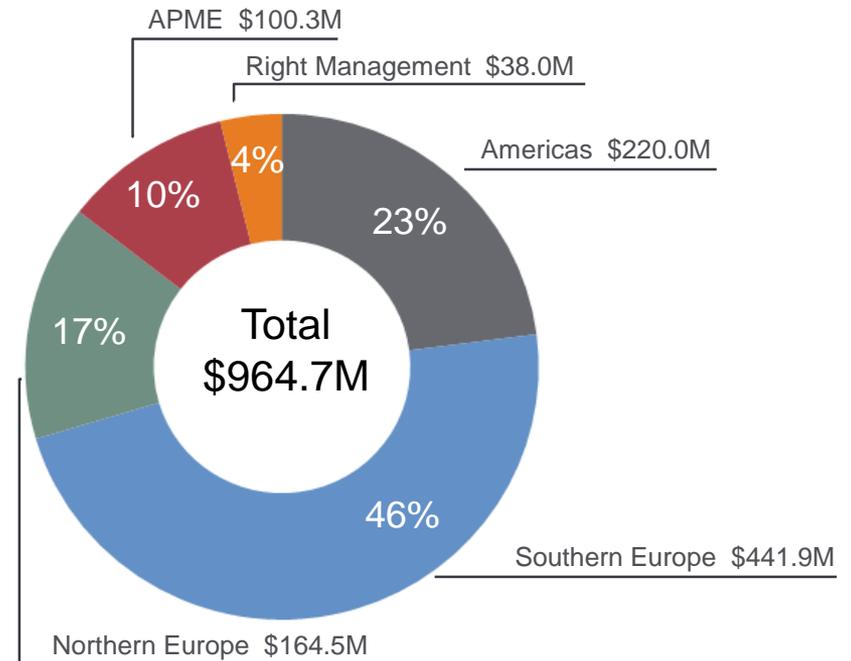
- ★ Strong growth in our higher value solutions and services.
- ★ ManpowerGroup Solutions' Gross Profit 5-year CAGR of 9%; 2017 up 11% YOY in constant currency.
- ★ Market-leading Recruitment Processing Outsourcing and Managed Service Provider offerings.
- ★ Proservia end-user services offering expanding across Europe with strong growth in France and Germany.
- ★ Permanent recruitment represents 15.2% of total Gross Profit in 2017; an all-time high.

# Strength Through Geographic Diversification

## 2017 Segment Revenues



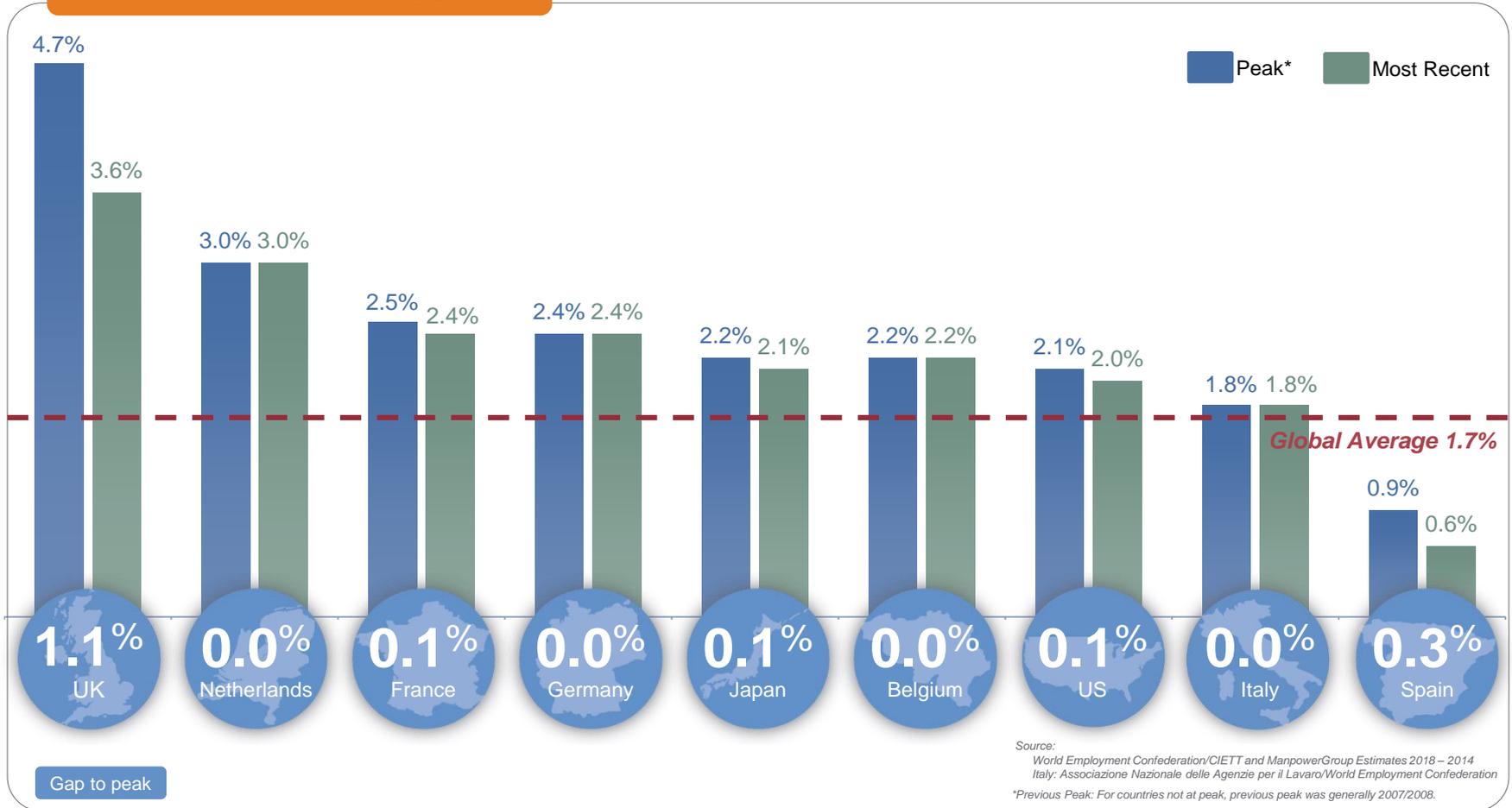
## 2017 Operating Unit Profit<sup>(1)</sup>



(1) Excludes restructuring costs as detailed in our earnings release and further explained on our web site. As reported, OUP was as follows: \$931.2M, Americas \$213.7M (23%), Southern Europe \$441.9M (47%), Northern Europe \$140.7M (15%), APME \$98.9M (11%), and Right Management \$36.0M (4%).

# Secular Trends Providing More Opportunity Globally

## Penetration Rates



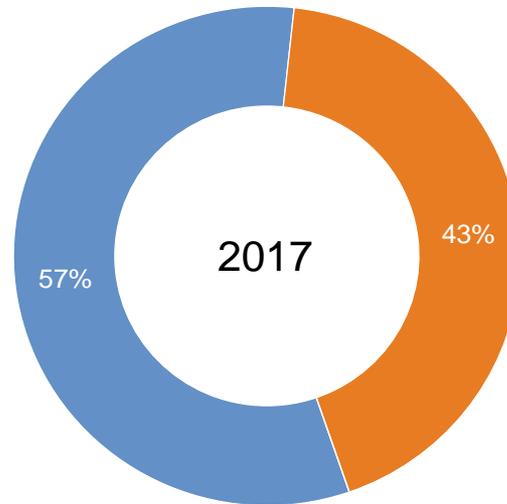
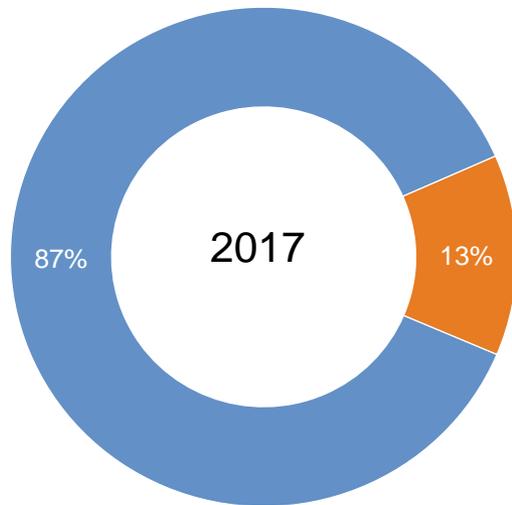
**Favorable workforce trends are expected to drive penetration rates beyond previous peak levels**

# Emerging Market Investments Delivering Strong Returns

## Emerging Markets Revenue

## Emerging Markets Billable Hours

Represents 13% of company revenues and 43% of billable hours.



- As the emerging markets population expands and labor rates equalize, we expect to see significant revenue and profitability growth.
- Leading market position with 309 offices across 27 emerging markets generating revenues of \$2.8B in 2017.

# Financial Update

# Financial Summary

## Q3 Financial Highlights

▼ 1%  
▲ 1% CC

Revenue **\$5.4B**

▼ 10 bps

Gross Margin **16.4%**

▼ 5%  
▼ 3% CC

Operating Profit **\$217M**

▼ 20 bps

OP Margin **4.0%**

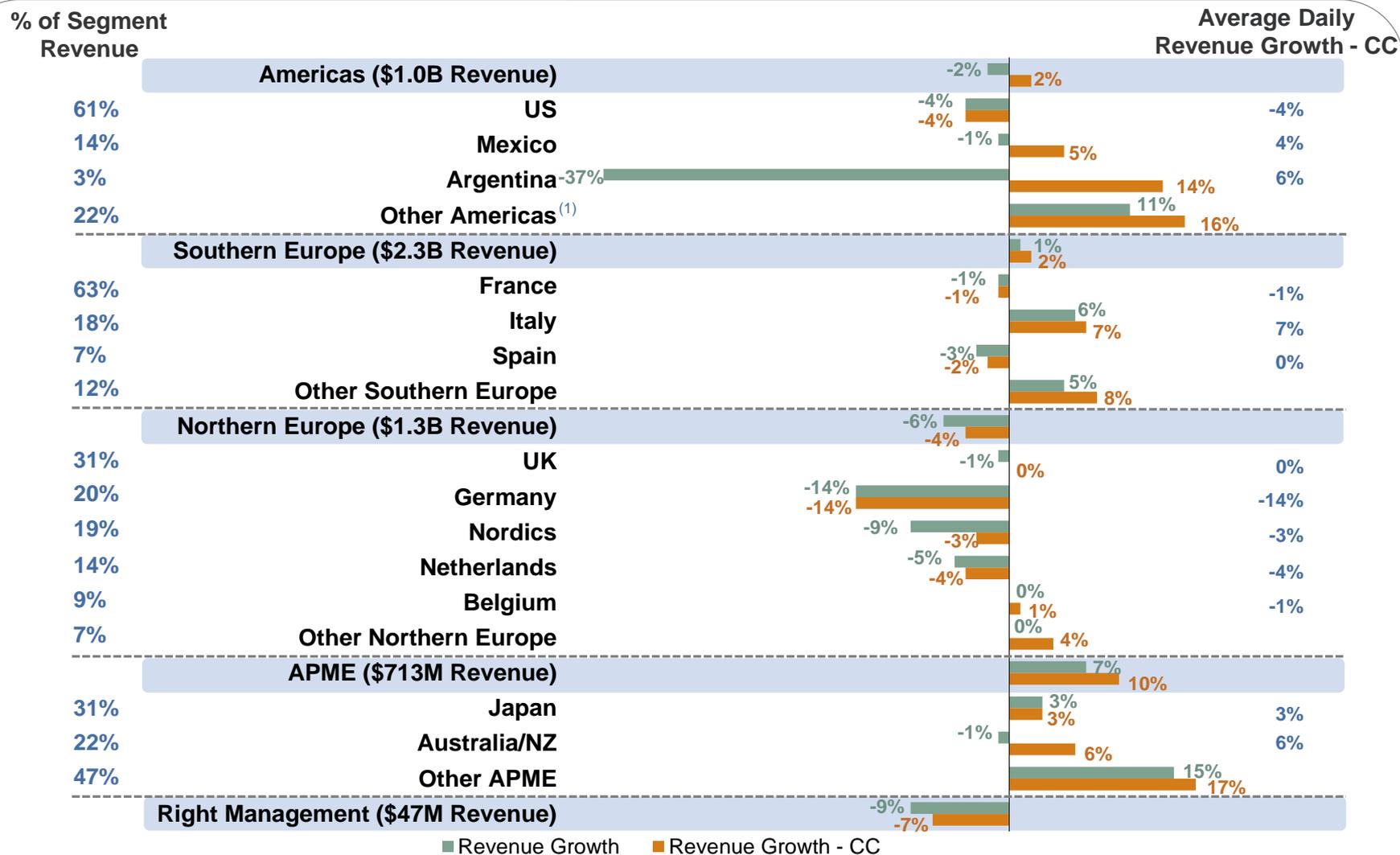
▲ 19%  
▲ 21% CC

EPS **\$2.43**

*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.*

# Financial Summary

## Q3 Revenue Growth YOY



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

# Financial Targets

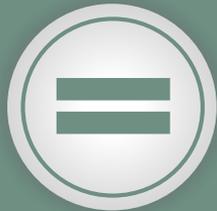
**Revenue  
Growth**



**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%**

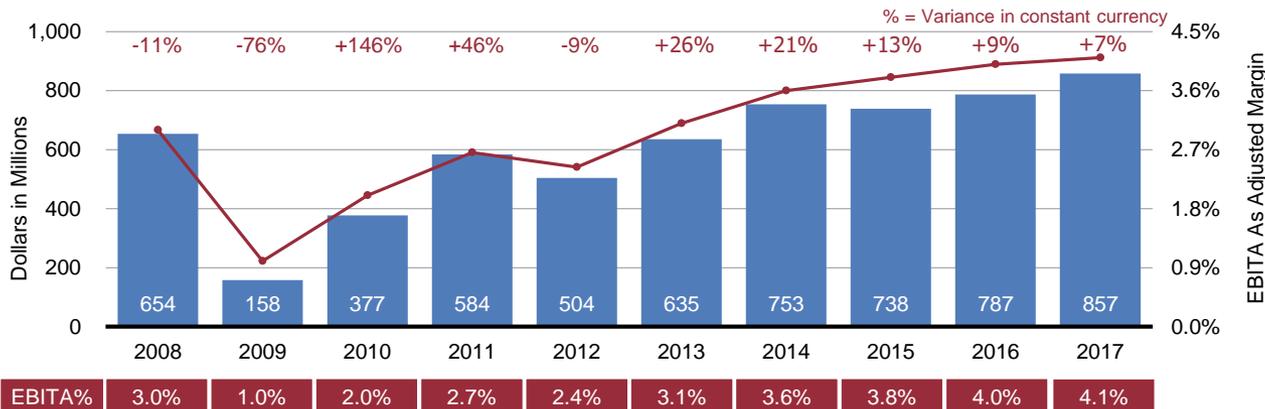
- Disciplined capital allocation to achieve a return well above cost of capital
- Rigorous cash management with a focus on DSO
- EBITA margin growth enabled
- Capital efficiency metric in Executive Team and Global Management incentive plans for nearly 20 years

# Historical Trends

## Revenue



## EBITA As Adjusted<sup>(1)</sup>



(1) EBITA As Adjusted for items shown on the Financial Sheet on our web site. As reported, EBITA was \$823M in 2017, \$722M in 2015, \$546M in 2013, \$448M in 2012, \$563M in 2011, (\$83M) in 2010, \$64M in 2009 and \$516M in 2008; and EBITA% was 3.9%, 3.7%, 2.7%, 2.2%, 2.6%, -0.4%, 0.4% and 2.4%, respectively.

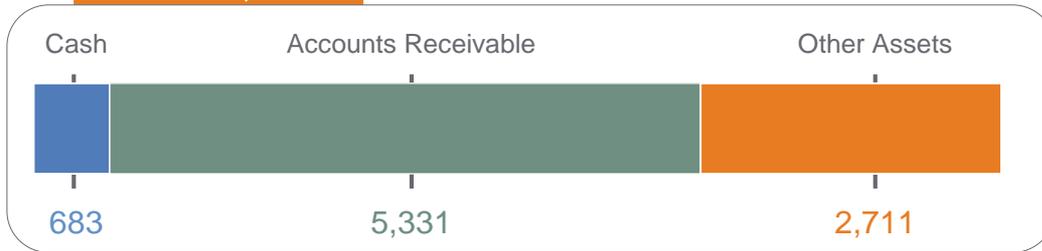
## Steady Growth and Margin Expansion

- Since 2013, we have seen steady growth and EBITA As Adjusted margin expansion of 100 bps, with strong results in our brands and offerings.
- We remain committed to seizing growth opportunities aligned with our strategy, achieving good leverage on that growth and building on our leading global workforce solutions position.

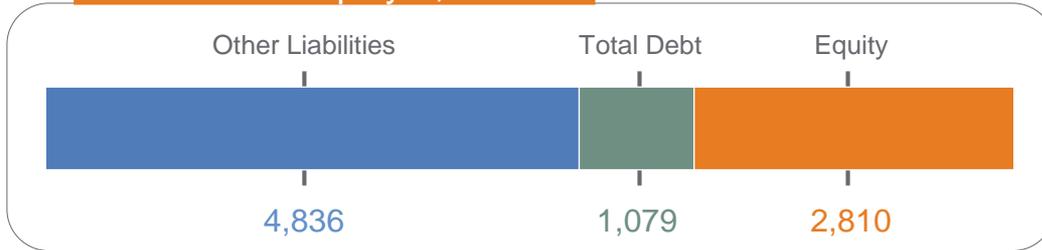
# Balance Sheet

September 30, 2018 (\$ in millions)

## Assets 8,725



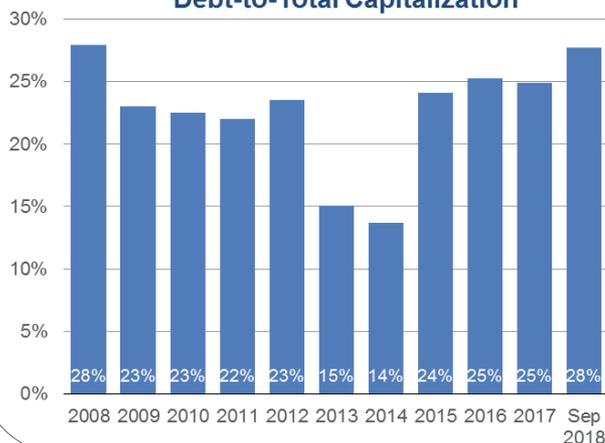
## Liabilities & Equity 8,725



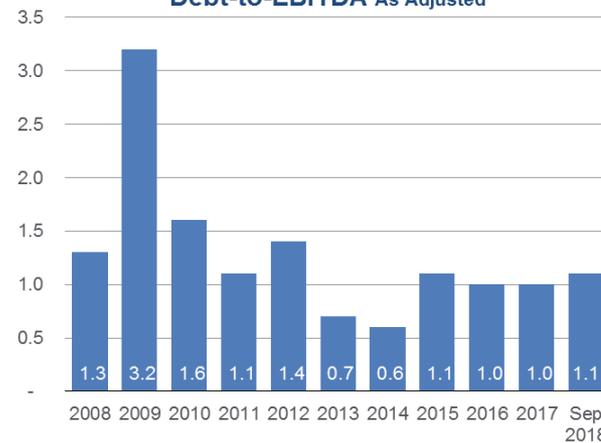
### Strong balance sheet with good liquidity to support future growth

- Net debt of \$396M
- Total debt-to-total capitalization at 28%
- Debt-to-EBITDA As Adjusted\* of 1.1x
- Untapped \$600M revolver

### Debt-to-Total Capitalization



### Debt-to-EBITDA As Adjusted\*



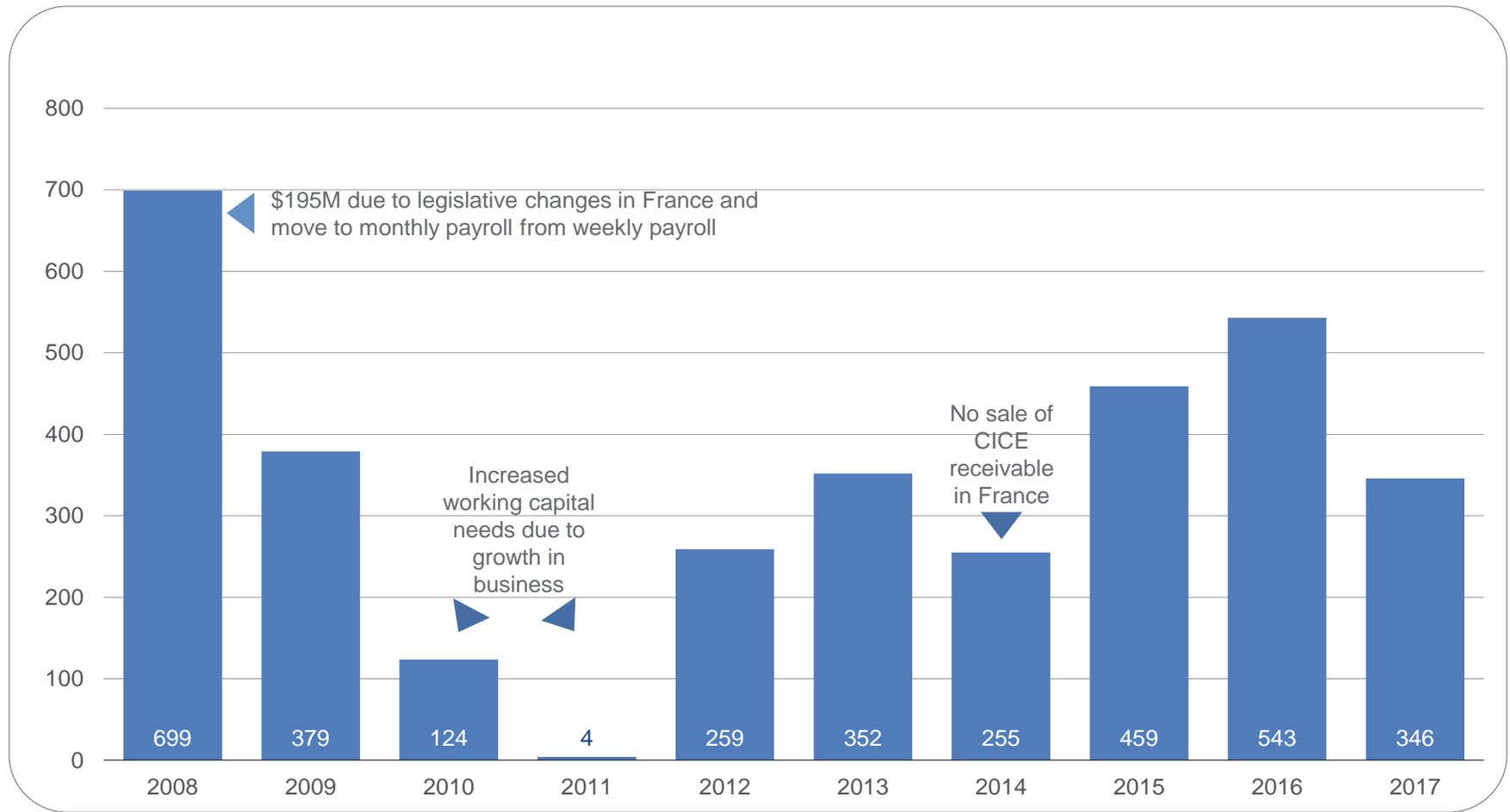
### Focused on reducing capital deployed

- Cost of accounts receivable included in all client profitability analyses and management incentive calculations

\* EBITDA As Adjusted amounts exclude the impact of global restructuring costs and other certain items further explained on our web site.

# Free Cash Flow\*

(\$ in millions)



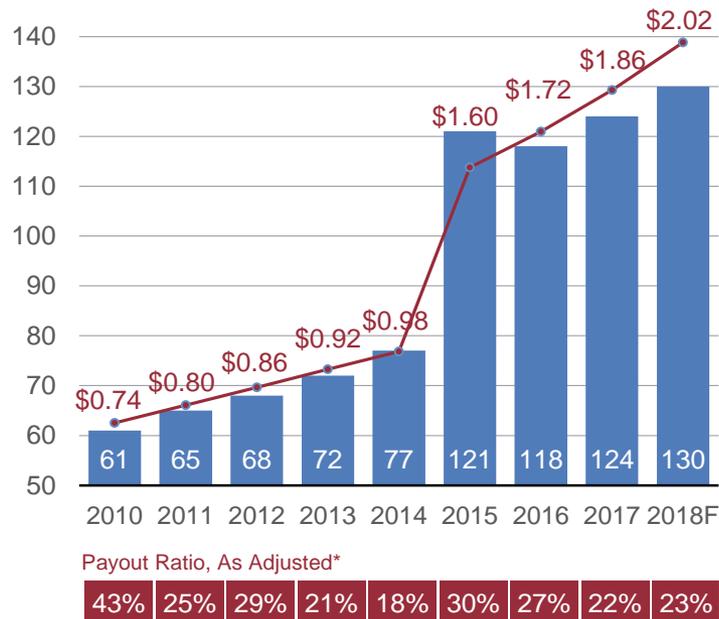
**Strong cash flow with counter-cyclical features provides liquidity entering into recessionary cycles.**

\* From Euro Note Presentation

# Returning Cash to Shareholders

(\$ in millions, except share and per share amounts)

## Dividends



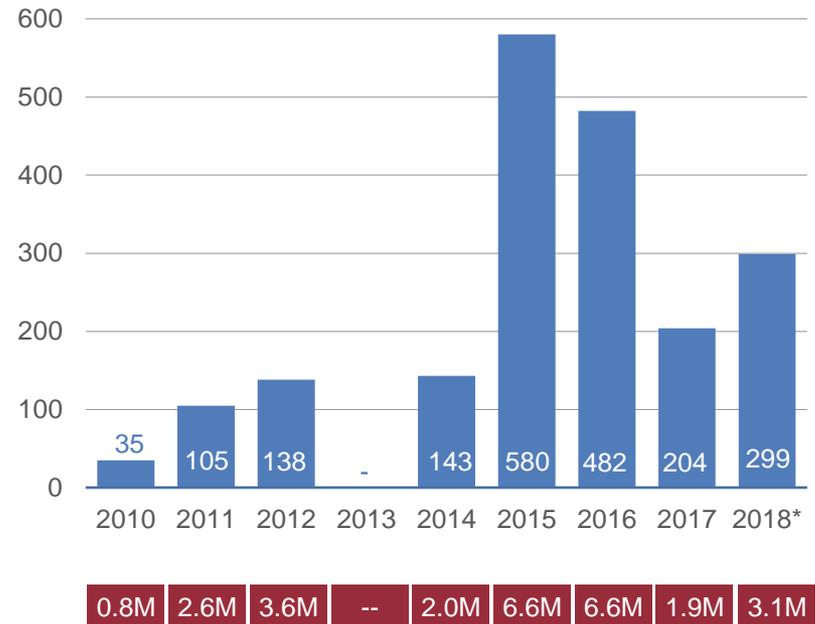
- Strong dividend performance. Current yield of 2.6%.\*\*\*
- Dividend regularly increased during periods of earnings growth.
- Dividend maintained during 2008/2009 recession.

\*Annual dividend payout per share divided by earnings per share-diluted, as adjusted for items shown on the Financial Sheet on our web site. 2018 payout ratio is based on the consensus earnings estimate as of October 2018.

\*\*2018 dividend estimate based on \$1.01 per share semi-annual dividend paid on December, 2018.

\*\*\* Yield based on October 22, 2018 price of \$76.40.

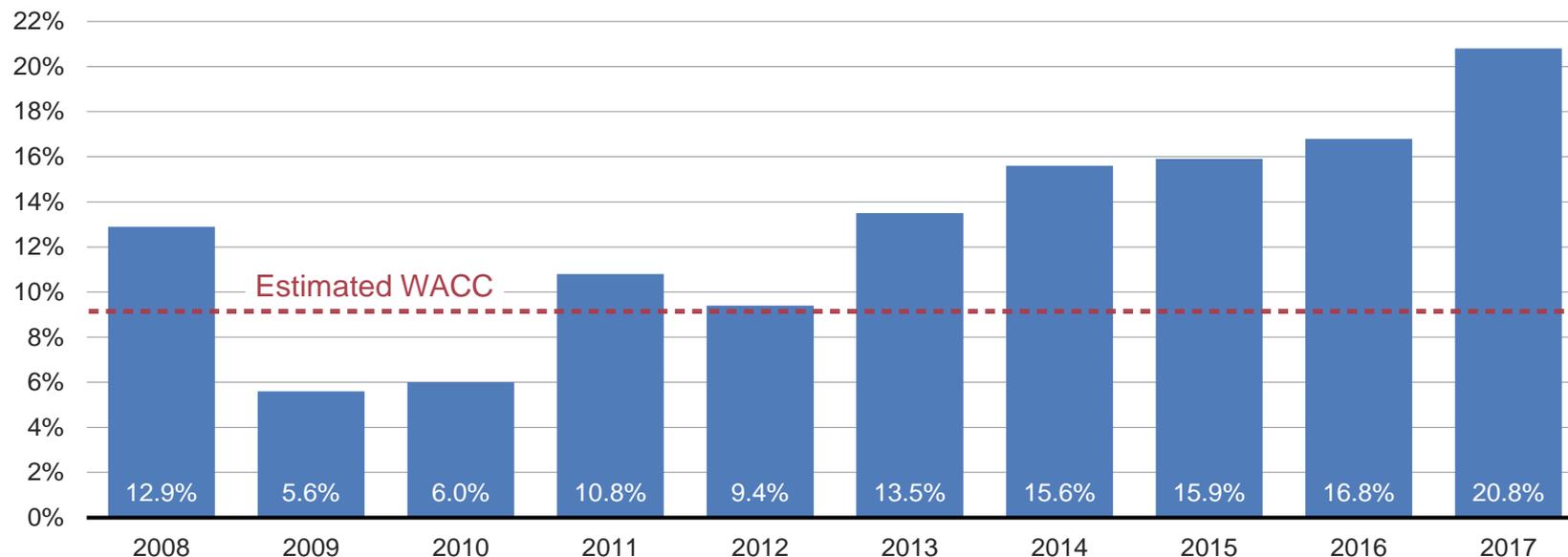
## Share Repurchases



- 3.1M shares repurchased in 2018; 18.2M shares (>23% of outstanding) repurchased from 2015.
- 5.7M shares remain authorized for repurchase under the August 2018 authorization.

\* Represents shares repurchased through September 30, 2018.

# Return on Invested Capital\* (ROIC)



- Capital efficiency metric, currently measured by ROIC, has been included in the executive team and global management annual incentive plans for nearly 20 years.
- Rigorous cash management with a focus on DSO reduction.
- Primary driver of ROIC improvement is operating profit after tax growth.

*\*Defined here as operating profit after tax divided by the average monthly total of net debt (total debt less cash) and equity for the year, as adjusted for items shown on the Financial Sheet on our web site.*

# ManpowerGroup Strengths



Globally Recognized Industry Leader



Positive Secular Trends



Strong Assets, Connected Brands  
and World-Leading Offerings



Leading Position in Emerging Markets



Experienced Management