



ManpowerGroup®



# ManpowerGroup Third Quarter Results

October 21, 2016

**Accelerating Performance**  
**IN THE HUMAN AGE**



**SEEING THE UNSEEN IS HUMANLY POSSIBLE**

October 2016

## **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, 2015, 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.

# ManpowerGroup 2016 Third Quarter Results

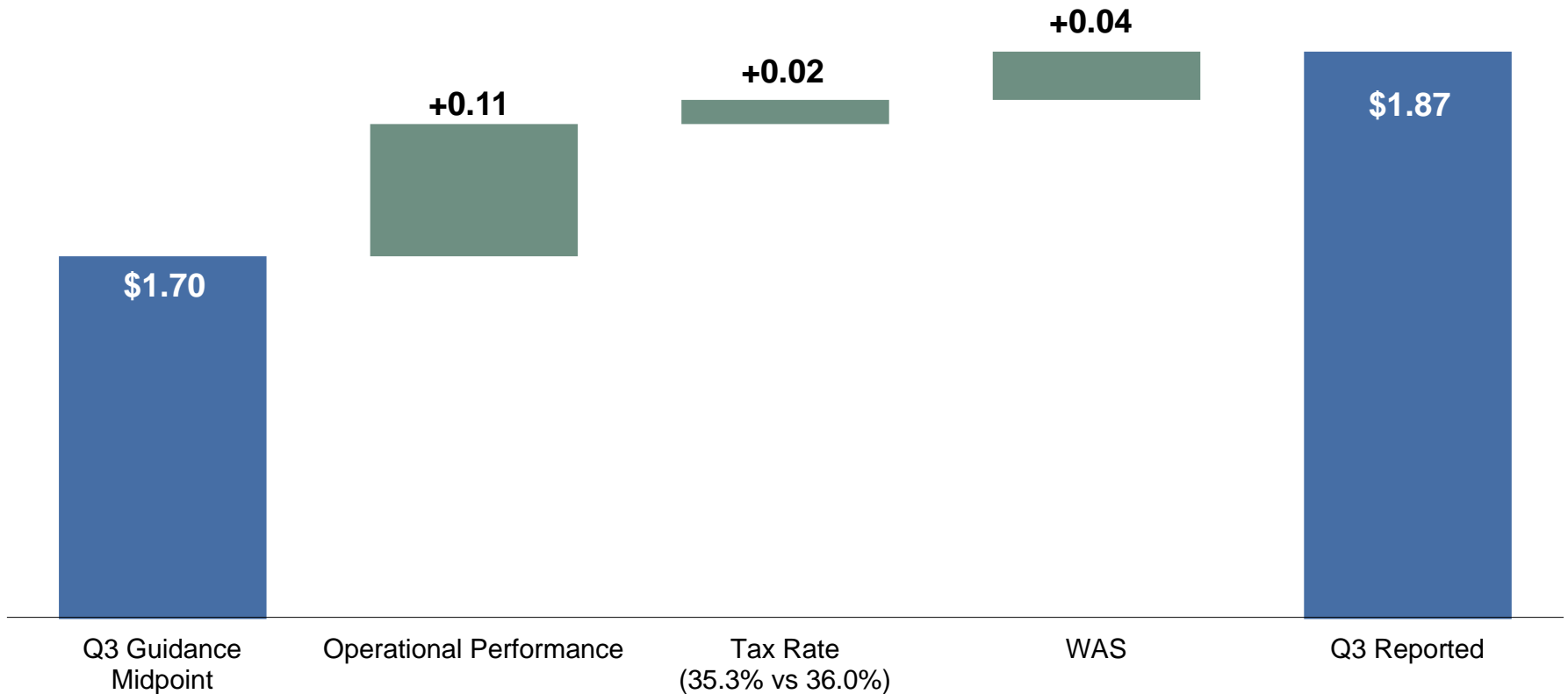
## Consolidated Financial Highlights

As Reported	Q3 Financial Highlights
↑ 2%	<b>Revenue \$5.1B</b>
↑ 4% CC	
↓ 20 bps	<b>Gross Margin 16.9%</b>
↑ 2%	<b>Operating Profit \$211M</b>
↑ 4% CC	
0 bps	<b>OP Margin 4.1%</b>
↑ 16%	<b>EPS \$1.87</b>
↑ 18% CC	

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 Annual Report on our Web site.

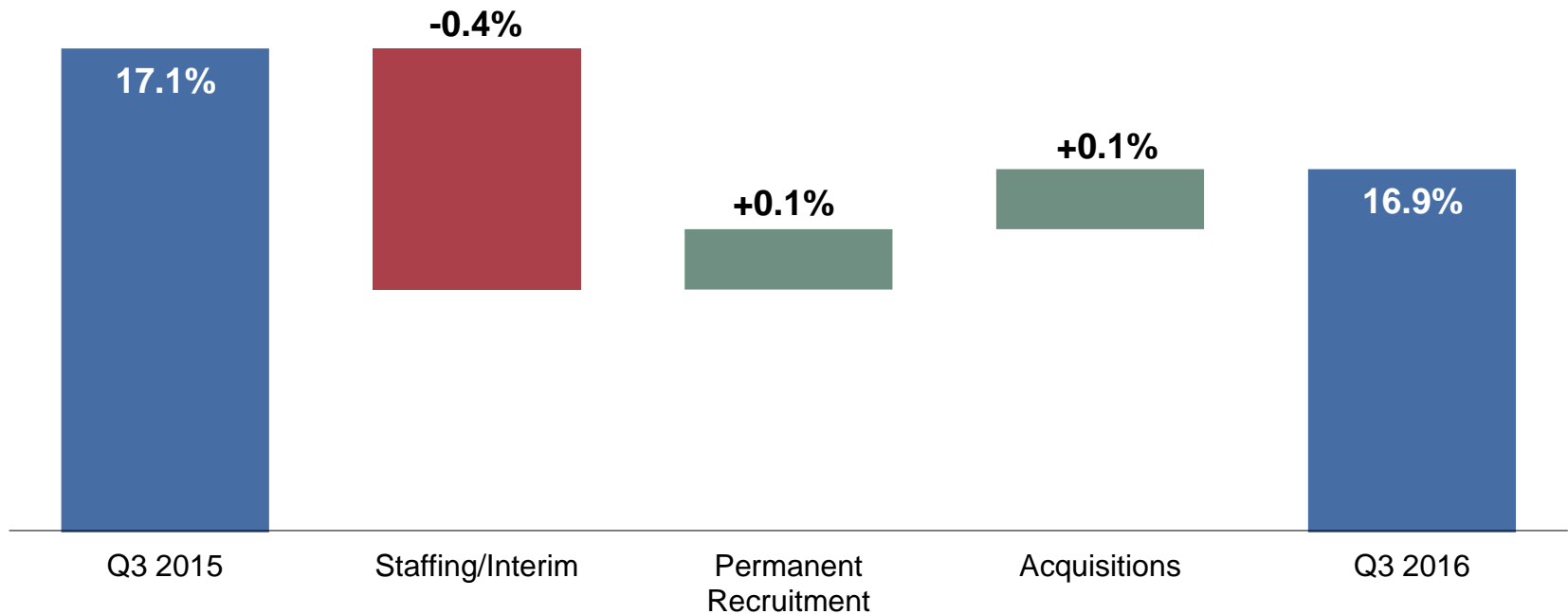
# ManpowerGroup 2016 Third Quarter Results

## EPS Bridge – Q3 vs. Guidance Midpoint



# ManpowerGroup 2016 Third Quarter Results

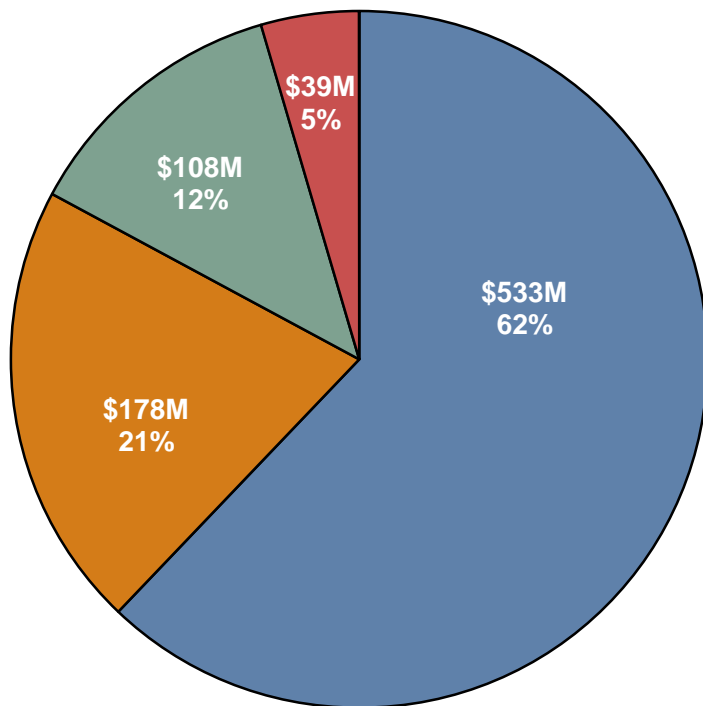
## Consolidated Gross Margin Change



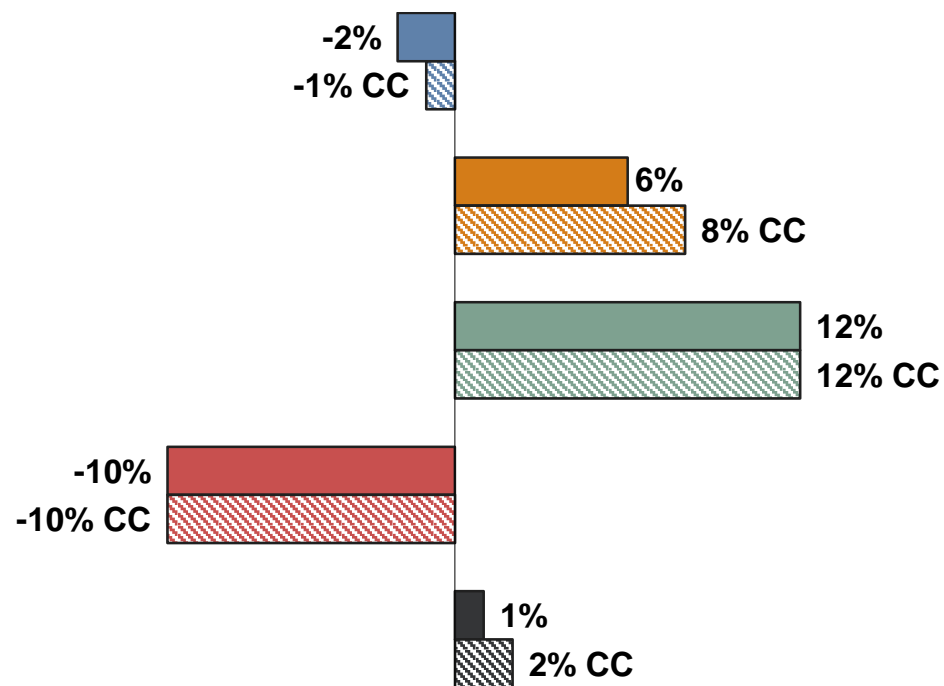
# ManpowerGroup 2016 Third Quarter Results

## Business Line Gross Profit – Q3 2016

**\$858M**



**Growth**

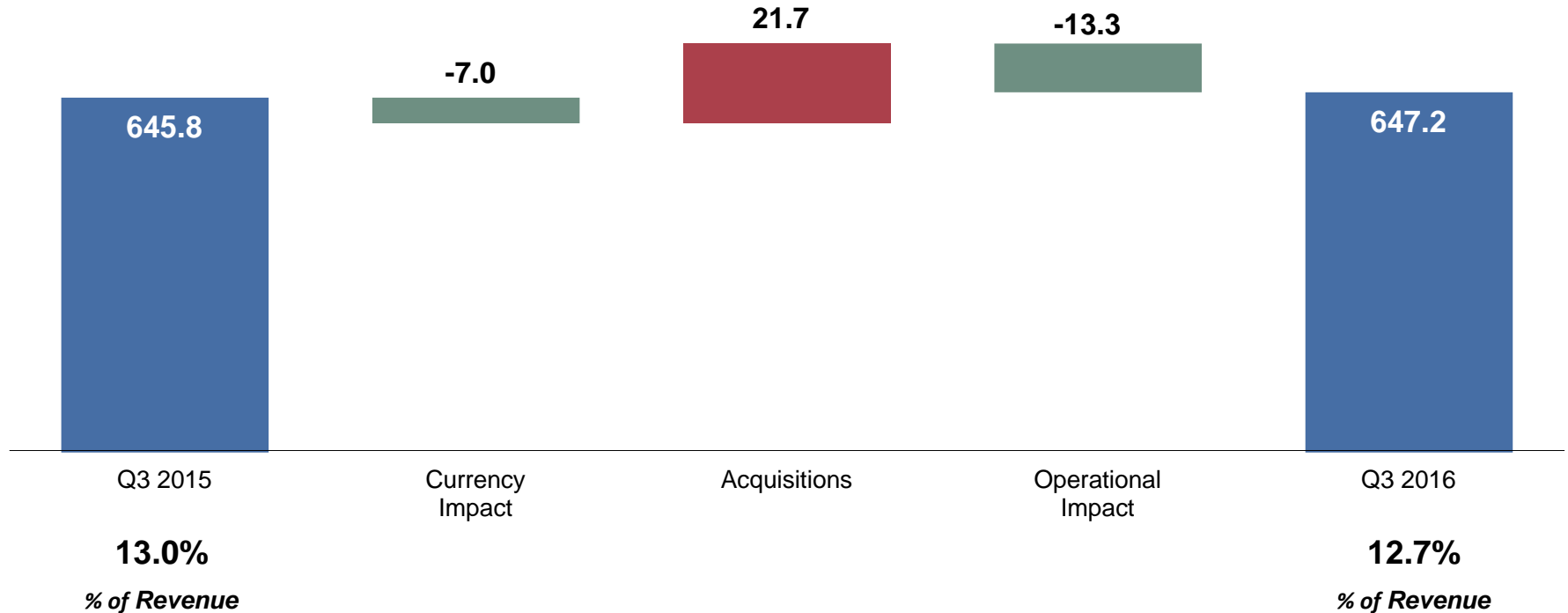


■ Manpower 
 ■ Experis 
 ■ ManpowerGroup Solutions 
 ■ Right Management 
 ■ ManpowerGroup – Total

# ManpowerGroup 2016 Third Quarter Results

## SG&A Expense Bridge – Q3 YoY

(in millions of USD)



# ManpowerGroup 2016 Third Quarter Results

## Americas Segment

(22% of Revenue)

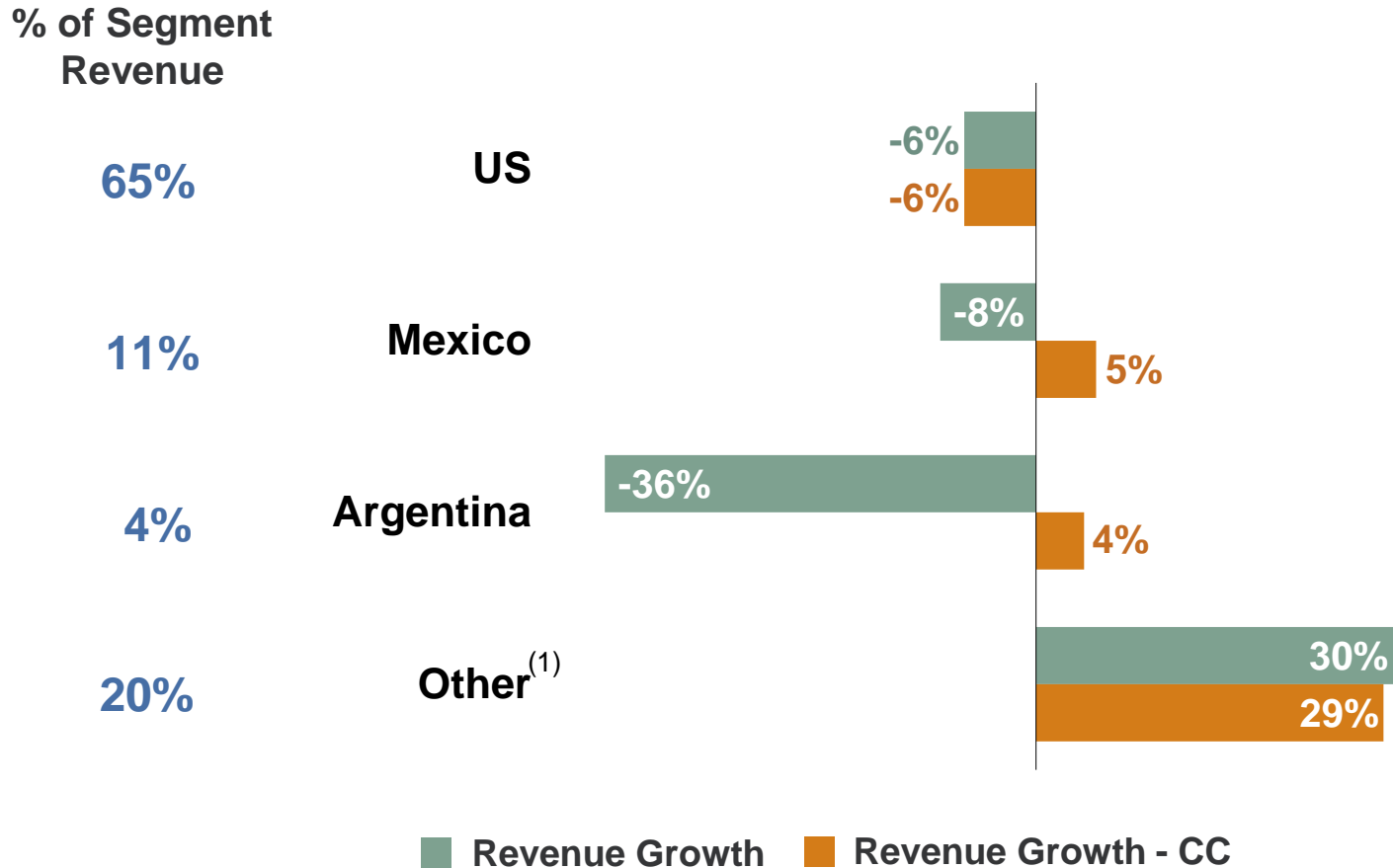
As Reported	Q3 Financial Highlights
↓ 3%	<b>Revenue \$1.1B</b>
↑ 1% CC	
↓ 6%	<b>OUP \$55M</b>
↓ 4% CC	
↓ 20 bps	<b>OUP Margin 5.0%</b>

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 2016 Third Quarter Results

## Americas – Q3 Revenue Growth YoY



(1) On an organic basis, Other revenue increased 17% (+16% in CC).

# ManpowerGroup 2016 Third Quarter Results

## Southern Europe Segment

(39% of Revenue)

As Reported	Q3 Financial Highlights
↑ 2%	<b>Revenue \$2.0B</b>
↑ 2% CC	
↓ 4%	<b>OUP \$101M</b>
↓ 5% CC	
↓ 40 bps	<b>OUP Margin 5.1%</b>

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## Southern Europe – Q3 Revenue Growth YoY

% of Segment Revenue

65%

France

3%

3%

15%

Italy

-8%

-8%

8%

Spain

8%

7%

12%

Other

6%

6%

■ Revenue Growth ■ Revenue Growth - CC

# ManpowerGroup 2016 Third Quarter Results

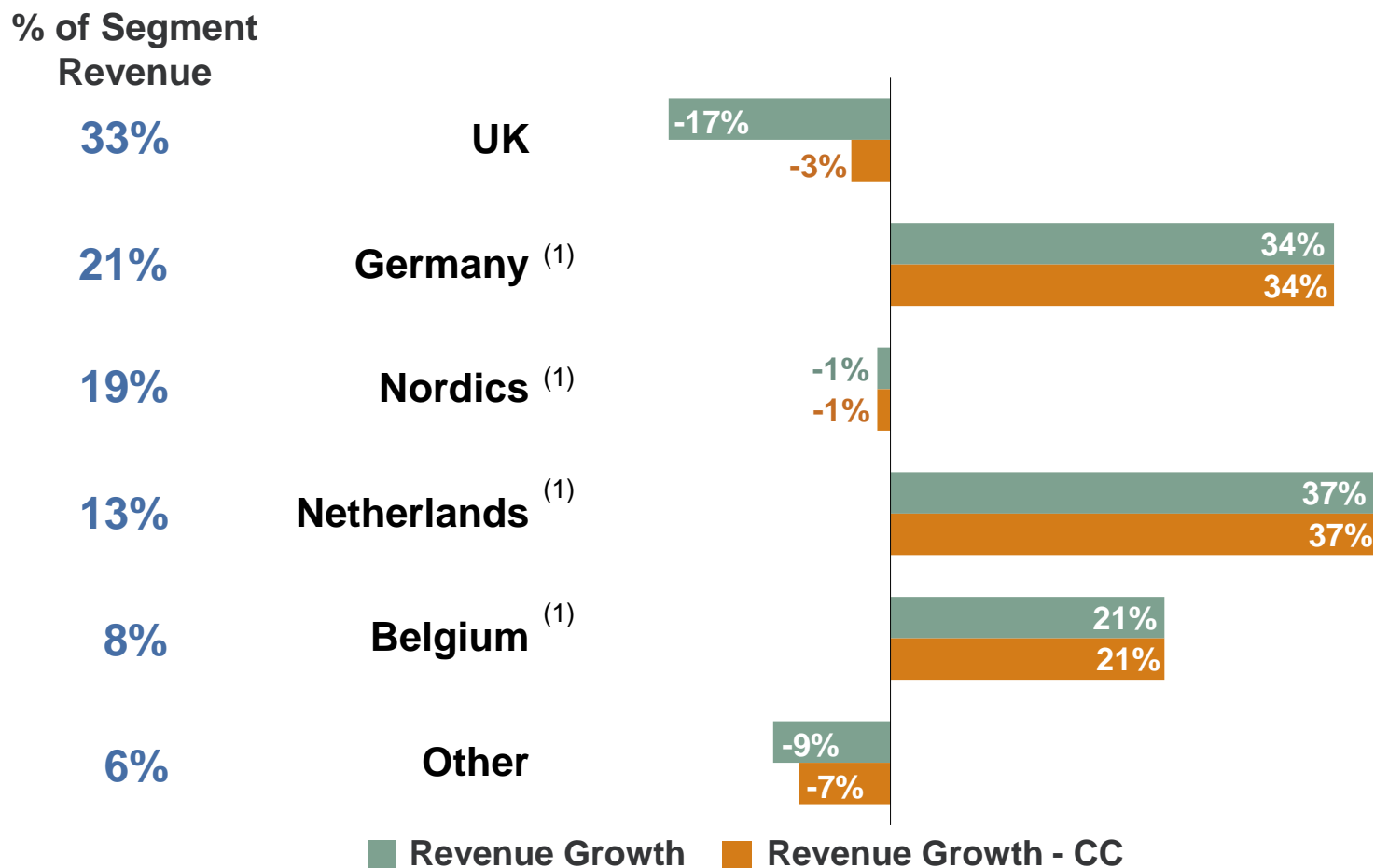
## Northern Europe Segment

(25% of Revenue)

As Reported	Q3 Financial Highlights
↑ 3%	<b>Revenue \$1.3B</b>
↑ 9% CC	
↑ 21%	<b>OUP \$54M</b>
↑ 28% CC	
↑ 60 bps	<b>OUP Margin 4.1%</b>

# ManpowerGroup 2016 Third Quarter Results

## Northern Europe – Q3 Revenue Growth YoY



(1) On an organic basis, revenue for Germany increased 7% (+7% in CC), the Nordics decreased 2% (-2% in CC), the Netherlands increased 22% (+22% in CC), and Belgium increased 18% (+17% in CC).

# ManpowerGroup 2016 Third Quarter Results

## APME Segment

(13% of Revenue)

As Reported	Q3 Financial Highlights
↑ 14%	<b>Revenue \$651M</b>
↑ 7% CC	
↑ 6%	<b>OUP \$25M</b>
↑ 0% CC	
↓ 30 bps	<b>OUP Margin 3.9%</b>

# ManpowerGroup 2016 Third Quarter Results

## APME – Q3 Revenue Growth YoY

% of Segment Revenue

35%

Japan

23%

3%

24%

Australia/NZ

8%

2%

41%

Other

11%

11%

■ Revenue Growth ■ Revenue Growth - CC

# ManpowerGroup 2016 Third Quarter Results

## Right Management Segment

(1% of Revenue)

As Reported	Q3 Financial Highlights
↓ 5%	<b>Revenue \$63M</b>
↓ 4% CC	
↓ 18%	<b>OUP \$9M</b>
↓ 18% CC	
↓ 210 bps	<b>OUP Margin 13.9%</b>



# ManpowerGroup 2016 Third Quarter Results

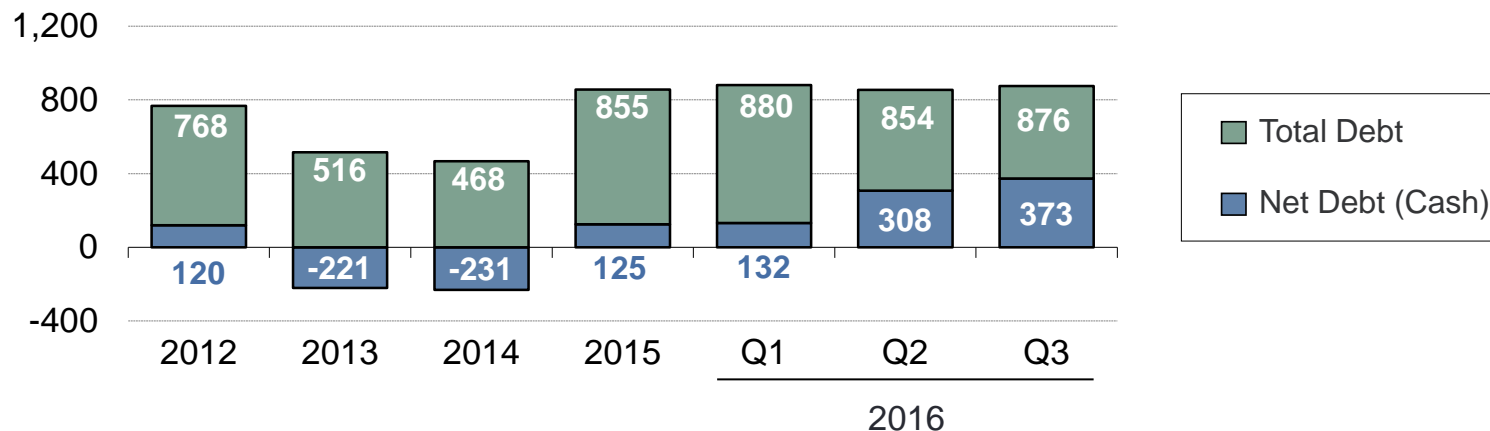
## Cash Flow Summary – 9 Months YTD

(in millions of USD)	2016	2015
Net Earnings	316	295
Non-cash Provisions and Other	136	161
Change in Operating Assets/Liabilities	(49)	(173)
Capital Expenditures	(43)	(33)
Free Cash Flow	360	250
Change in Debt	(10)	450
Acquisitions of Businesses net of cash acquired	(57)	(241)
Other Equity Transactions	(1)	98
Repurchases of Common Stock	(463)	(523)
Dividends Paid	(61)	(62)
Effect of Exchange Rate Changes	4	(21)
Other	1	2
Change in Cash	(227)	(47)

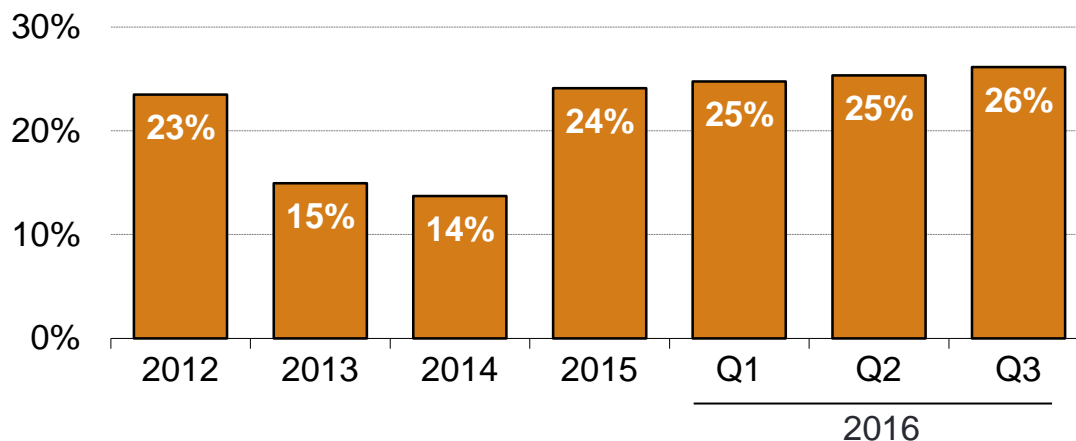
# ManpowerGroup 2016 Third Quarter Results

## Balance Sheet Highlights

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



**Total Debt to Total Capitalization**



# ManpowerGroup 2016 Third Quarter Results

## Debt and Credit Facilities – Sept 30, 2016

(in millions of USD)

	Interest Rate	Maturity Date	Total Outstanding	Remaining Available
<b>Euro Notes - €350M</b>	<b>4.505%</b>	<b>Jun 2018</b>	<b>393</b>	<b>-</b>
<b>Euro Notes - €400M</b>	<b>1.913%</b>	<b>Sep 2022</b>	<b>446</b>	<b>-</b>
<b>Revolving Credit Agreement <sup>(1)</sup></b>	<b>1.53%</b>	<b>Sep 2020</b>	<b>-</b>	<b>599</b>
<b>Uncommitted lines and Other <sup>(2)</sup></b>	<b>Various</b>	<b>Various</b>	<b>37</b>	<b>264</b>
<b>Total Debt</b>			<b>876</b>	<b>863</b>

(1) The \$600M agreement requires that we comply with a Leverage Ratio (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 Debt-to-EBITDA ratio of 0.94 and a fixed charge coverage ratio of 4.78 as of September 30, 2016. As of September 30, 2016, there were \$0.8M of standby letters of credit issued under the agreement.

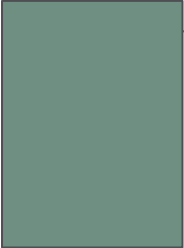
(2) Represents subsidiary uncommitted lines of credit & overdraft facilities, which total \$300.1M. Total subsidiary borrowings are limited to \$300M due to restrictions in our Revolving Credit Facility, with the exception of Q3 when subsidiary borrowings are limited to \$600M.

# ManpowerGroup 2016 Third Quarter Results

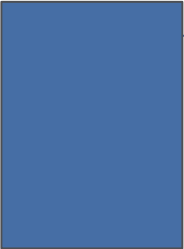
## Fourth Quarter Outlook

<b>Revenue</b>	<b>Total</b>	Flat/Up 2% (Up 1-3% CC)
	<b>Americas</b>	Down 4-6% (Down/Up 1% CC)
	<b>Southern Europe</b>	Up 3-5% (Up 1-3% CC)
	<b>Northern Europe</b>	Down 3-5% (Up 2-4% CC)
	<b>APME</b>	Up 13-15% (Up 4-6% CC)
	<b>Right Management</b>	Down 5-7% (Down 4-6% CC)
<b>Gross Profit Margin</b>		16.8 – 17.0%
<b>Operating Profit Margin</b>		3.8 – 4.0%
<b>Tax Rate</b>		36.0%
<b>EPS</b>		\$1.65 – \$1.73 (unfavorable \$0.02 currency)

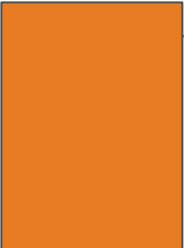
## Key Take Aways



Continued slow growth environment, with improving trends in several European markets; our geographic diversification and diversified business mix is helping us offset weakness in some markets with strengths in others.



With the added uncertainty in a slow growth environment, our clients are looking for more flexibility and access to talent to execute their business plans. This is precisely the reason we have diversified and strengthened our range of workforce solutions and brands.



The current market conditions require a great focus on execution and operational discipline; we will focus on driving revenue growth aligned with our strategies and improving operational efficiency and productivity enhanced by technology.