



ManpowerGroup™

July 21, 2015

## ManpowerGroup Reports 2nd Quarter and First Half 2015 Results

MILWAUKEE, July 21, 2015 /PRNewswire/ -- ManpowerGroup (NYSE: MAN) today reported that net earnings per diluted share for the three months ended June 30, 2015 were \$1.33 compared to \$1.35 in the prior year period. Net earnings in the second quarter were \$105.7 million compared to \$109.8 million a year earlier. Revenues for the second quarter were \$4.9 billion, a decrease of 9 percent from the prior year period.



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Financial results in the quarter were significantly impacted by the stronger U.S. dollar relative to several foreign currencies compared to the prior year period. On a constant currency basis, revenues increased 7% and earnings per share increased 16%. Earnings per share in the quarter were negatively impacted 23 cents by changes in the foreign currencies compared to the prior year.

ManpowerGroup CEO Jonas Prising, said, "We are pleased with our strong second quarter results, capping off a good first half of 2015. The labor markets continue to improve across the globe, although at a slow and uneven pace in some countries.

"It is rewarding for our team to experience solid growth in a number of our geographies, with very strong growth in Italy, Mexico, Spain and the UK. With our market leading brands and solutions we are well placed to take advantage of profitable growth opportunities also in the second half of the year.

"We are anticipating the third quarter of 2015 diluted earnings per share to be in the range of \$1.50 to \$1.58, which includes an estimated unfavorable currency impact of 24 cents," Prising stated.

Net earnings per diluted share for the six months ended June 30, 2015 were \$2.16 compared to \$2.21 in 2014. Net earnings for the period were \$171.4 million compared to \$179.9 million in the prior year. Revenues for the six-month period were \$9.4 billion, a decrease of 8 percent from the prior year or an increase of 7 percent in constant currency. Foreign currency exchange rates had an unfavorable impact of 39 cents for the six-month period.

In conjunction with its second quarter earnings release, ManpowerGroup will broadcast its conference call live over the Internet on July 21, 2015 at 7:30 a.m. CDT (8:30 a.m. EDT). Interested parties are invited to listen to the webcast and view the presentation by logging on to <http://www.manpowergroup.com> in the section titled "Investor Relations."

Supplemental financial information referenced in the conference call can be found at <http://www.manpowergroup.com>.

### About ManpowerGroup™

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce solutions for more than 65 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands - Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions - we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2015, ManpowerGroup was named one



United States (a)	\$ 762.6	\$ 775.9	-1.7%	-1.7%
Other Americas	368.1	375.2	-1.9%	14.4%
	<u>1,130.7</u>	<u>1,151.1</u>	-1.8%	3.5%
Southern Europe:				
France	1,202.6	1,412.1	-14.8%	5.5%
Italy	319.3	313.9	1.7%	25.9%
Other Southern Europe	244.3	243.0	0.6%	20.9%
	<u>1,766.2</u>	<u>1,969.0</u>	-10.3%	10.6%
Northern Europe	1,335.6	1,527.8	-12.6%	4.5%
APME	556.6	594.0	-6.3%	5.7%
Right Management	72.2	79.8	-9.6%	-1.5%
	<u>\$4,861.3</u>	<u>\$5,321.7</u>	-8.7%	6.6%
Operating Unit Profit:				
Americas:				
United States	\$ 41.7	\$ 29.7	40.3%	40.3%
Other Americas	14.5	14.0	3.3%	19.7%
	<u>56.2</u>	<u>43.7</u>	28.5%	33.7%
Southern Europe:				
France	66.9	71.9	-6.9%	15.4%
Italy	19.8	18.3	8.0%	33.7%
Other Southern Europe	6.3	5.7	9.0%	29.7%
	<u>93.0</u>	<u>95.9</u>	-3.1%	19.8%
Northern Europe	35.8	46.2	-22.5%	-9.9%
APME	18.5	21.0	-11.4%	-0.9%
Right Management	11.7	12.7	-8.5%	-4.0%
	<u>215.2</u>	<u>219.5</u>		
Corporate expenses	(28.9)	(23.7)		
Intangible asset amortization expense	(7.6)	(8.4)		
Operating profit	<u>178.7</u>	<u>187.4</u>	-4.7%	12.5%
Interest and other expenses (b)	(7.2)	(7.9)		
Earnings before income taxes	<u>\$ 171.5</u>	<u>\$ 179.5</u>		

(a) In the United States, revenues from services include fees received from our franchise offices of \$3.9 million for both the three months ended June 30, 2015 and 2014. These fees are primarily based on revenues generated by the franchise offices, which were \$184.6 million and \$190.3 million for the three months ended June 30, 2015 and 2014, respectively.

(b) The components of interest and other expenses were:

	2015	2014
Interest expense	\$ 8.2	\$ 9.3
Interest income	(0.7)	(1.1)
Foreign exchange gain	-	(0.9)
Miscellaneous (income) expense, net	(0.3)	0.6
	<u>\$ 7.2</u>	<u>\$ 7.9</u>

ManpowerGroup  
Results of Operations  
(In millions, except per share data)

	Six Months Ended June 30			
	2015	2014	% Variance	
			Amount Reported	Constant Currency
Revenues from services (a)	\$9,403.5	\$10,225.7	-8.0%	6.6%
Cost of services	<u>7,810.9</u>	<u>8,511.9</u>	-8.2%	6.6%
Gross profit	1,592.6	1,713.8	-7.1%	6.7%
Selling and administrative expenses	<u>1,291.1</u>	<u>1,399.5</u>	-7.7%	5.1%
Operating profit	301.5	314.3	-4.1%	14.1%

Interest and other expenses	<u>17.8</u>	<u>17.1</u>	4.4%	
Earnings before income taxes	283.7	297.2	-4.6%	13.3%
Provision for income taxes	<u>112.3</u>	<u>117.3</u>	-4.4%	
Net earnings	<u>\$ 171.4</u>	<u>\$ 179.9</u>	-4.7%	12.7%
Net earnings per share - basic	<u>\$ 2.18</u>	<u>\$ 2.25</u>	-3.1%	
Net earnings per share - diluted	<u>\$ 2.16</u>	<u>\$ 2.21</u>	-2.3%	15.4%
Weighted average shares - basic	<u>78.5</u>	<u>79.9</u>	-1.7%	
Weighted average shares - diluted	<u>79.5</u>	<u>81.4</u>	-2.3%	

(a) Revenues from services include fees received from our franchise offices of \$11.5 million and \$11.9 million for the six months ended June 30, 2015 and 2014, respectively. These fees are primarily based on revenues generated by the franchise offices, which were \$526.2 million and \$543.2 million for the six months ended June 30, 2015 and 2014, respectively.

ManpowerGroup  
Operating Unit Results  
(In millions)

	<b>Six Months Ended June 30</b>			
	<b>2015</b>	<b>2014</b>	<b>% Variance</b>	
			<b>Amount Reported</b>	<b>Constant Currency</b>
	(Unaudited)			
Revenues from Services:				
Americas:				
United States (a)	\$1,487.7	\$ 1,496.4	-0.6%	-0.6%
Other Americas	<u>727.4</u>	<u>725.8</u>	0.2%	15.2%
	<u>2,215.1</u>	<u>2,222.2</u>	-0.3%	4.6%
Southern Europe:				
France	2,243.4	2,629.4	-14.7%	4.9%
Italy	589.4	588.6	0.1%	23.2%
Other Southern Europe	<u>470.5</u>	<u>473.0</u>	-0.5%	18.8%
	<u>3,303.3</u>	<u>3,691.0</u>	-10.5%	9.6%
Northern Europe	2,658.9	2,991.7	-11.1%	6.0%
APME	1,089.7	1,167.7	-6.7%	3.9%
Right Management	<u>136.5</u>	<u>153.1</u>	-10.8%	-3.1%
	<u>\$9,403.5</u>	<u>\$10,225.7</u>	-8.0%	6.6%
Operating Unit Profit:				
Americas:				
United States	\$ 59.1	\$ 43.1	37.1%	37.1%
Other Americas	<u>27.3</u>	<u>26.6</u>	2.5%	17.5%
	<u>86.4</u>	<u>69.7</u>	23.9%	29.6%
Southern Europe:				
France	117.2	123.1	-4.8%	17.5%
Italy	33.8	30.9	9.3%	34.9%
Other Southern Europe	<u>11.0</u>	<u>10.3</u>	7.1%	27.1%
	<u>162.0</u>	<u>164.3</u>	-1.4%	21.4%
Northern Europe	69.1	84.6	-18.4%	-4.5%
APME	37.3	41.2	-9.4%	0.8%
Right Management	<u>17.3</u>	<u>21.0</u>	-17.6%	-13.0%
	<u>372.1</u>	<u>380.8</u>		
Corporate expenses	(55.6)	(49.9)		
Intangible asset amortization expense	<u>(15.0)</u>	<u>(16.6)</u>		
Operating profit	301.5	314.3	-4.1%	14.1%
Interest and other expenses (b)	(17.8)	(17.1)		

Earnings before income taxes

\$ 283.7	\$ 297.2
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(a) In the United States, revenues from services include fees received from our franchise offices of \$7.3 million for both the six months ended June 30, 2015 and 2014. These fees are primarily based on revenues generated by the franchise offices, which were \$353.3 million and \$359.4 million for the six months ended June 30, 2015 and 2014, respectively.

(b) The components of interest and other expenses were:

	2015	2014
Interest expense	\$ 16.2	\$ 17.9
Interest income	(1.2)	(2.0)
Foreign exchange loss (gain)	0.7	(2.1)
Miscellaneous expenses, net	2.1	3.3
	<u>\$ 17.8</u>	<u>\$ 17.1</u>

ManpowerGroup  
Consolidated Balance Sheets  
(In millions)

	Jun. 30 2015	Dec. 31 2014
	(Unaudited)	
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 465.9	\$ 699.2
Accounts receivable, net	4,214.2	4,134.5
Prepaid expenses and other assets	261.5	147.8
Future income tax benefits	51.2	52.2
Total current assets	<u>4,992.8</u>	<u>5,033.7</u>
<b>Other assets:</b>		
Goodwill	1,083.6	1,075.2
Intangible assets, net	275.0	286.8
Other assets	581.7	637.7
Total other assets	<u>1,940.3</u>	<u>1,999.7</u>
<b>Property and equipment:</b>		
Land, buildings, leasehold improvements and equipment	605.9	633.5
Less: accumulated depreciation and amortization	466.3	484.4
Net property and equipment	<u>139.6</u>	<u>149.1</u>
Total assets	<u>\$7,072.7</u>	<u>\$7,182.5</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$1,623.4	\$1,542.7
Employee compensation payable	175.9	204.5
Accrued liabilities	494.2	493.3
Accrued payroll taxes and insurance	583.1	622.4
Value added taxes payable	447.6	466.3
Short-term borrowings and current maturities of long-term debt	39.5	45.2
Total current liabilities	<u>3,363.7</u>	<u>3,374.4</u>
<b>Other liabilities:</b>		
Long-term debt	390.7	423.9
Other long-term liabilities	460.3	441.2
Total other liabilities	<u>851.0</u>	<u>865.1</u>
<b>Shareholders' equity:</b>		
Common stock	1.1	1.1
Capital in excess of par value	3,128.3	3,084.2
Retained earnings	1,777.1	1,667.8
Accumulated other comprehensive loss	(217.7)	(155.2)
Treasury stock, at cost	<u>(1,830.8)</u>	<u>(1,654.9)</u>

Total shareholders' equity	<u>2,858.0</u>	<u>2,943.0</u>
Total liabilities and shareholders' equity	<u>\$7,072.7</u>	<u>\$7,182.5</u>

ManpowerGroup  
Consolidated Statements of Cash Flows  
(In millions)

	<b>Six Months Ended</b>	
	<b>June 30</b>	
	<b>2015</b>	<b>2014</b>
	(Unaudited)	
<b>Cash Flows from Operating Activities:</b>		
Net earnings	\$171.4	\$179.9
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	37.6	43.2
Deferred income taxes	45.5	5.0
Provision for doubtful accounts	9.0	10.3
Share-based compensation	14.8	23.9
Excess tax benefit on exercise of share-based awards	(0.8)	(2.9)
Changes in operating assets and liabilities, excluding the impact of acquisitions:		
Accounts receivable	(280.1)	(223.6)
Other assets	(94.0)	(99.1)
Other liabilities	135.4	47.3
Cash provided by (used in) operating activities	<u>38.8</u>	<u>(16.0)</u>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(20.1)	(20.6)
Acquisitions of businesses, net of cash acquired	(30.4)	(23.7)
Proceeds from sales of property and equipment	3.5	0.3
Cash used in investing activities	<u>(47.0)</u>	<u>(44.0)</u>
<b>Cash Flows from Financing Activities:</b>		
Net change in short-term borrowings	(1.8)	15.9
Proceeds from long-term debt	0.1	-
Repayments of long-term debt	(1.5)	(1.2)
Proceeds from share-based awards	29.1	18.9
Other share-based award transactions, net	(6.3)	(6.1)
Repurchases of common stock	(168.7)	(16.7)
Dividends paid	(62.1)	(39.0)
Cash used in financing activities	<u>(211.2)</u>	<u>(28.2)</u>
Effect of exchange rate changes on cash	(13.9)	(10.9)
Change in cash and cash equivalents	<u>(233.3)</u>	<u>(99.1)</u>
Cash and cash equivalents, beginning of period	<u>699.2</u>	<u>737.6</u>
Cash and cash equivalents, end of period	<u>\$465.9</u>	<u>\$638.5</u>

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