



ManpowerGroup®



# ManpowerGroup Second Quarter Results

July 21, 2016

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



**SEEING THE UNSEEN IS HUMANLY POSSIBLE**

July 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 Second Quarter Results

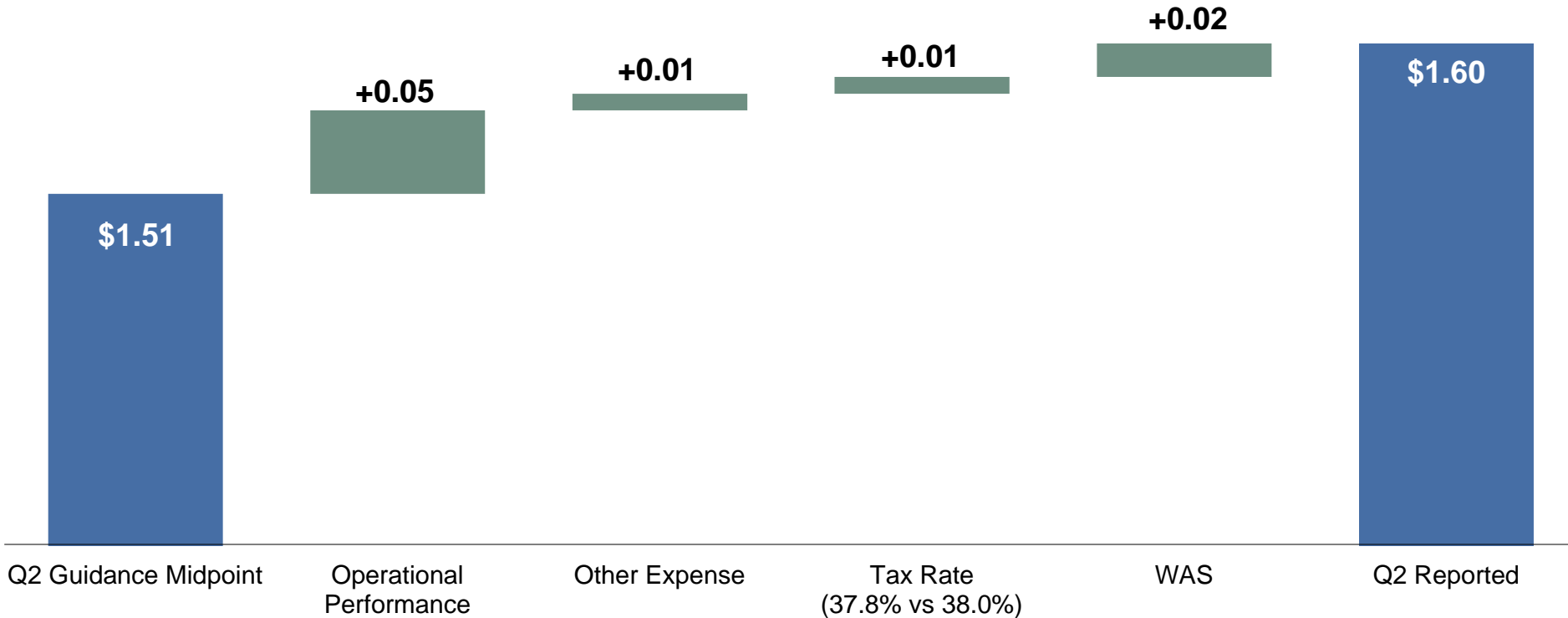
## Consolidated Financial Highlights

As Reported	Q2 Financial Highlights
↑ 3%	<b>Revenue \$5.0B</b>
↑ 5% CC	
0 bps	<b>Gross Margin 17.1%</b>
↑ 10%	<b>Operating Profit \$196M</b>
↑ 10% CC	
↑ 20 bps	<b>OP Margin 3.9%</b>
↑ 20%	<b>EPS \$1.60</b>
↑ 22% 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.

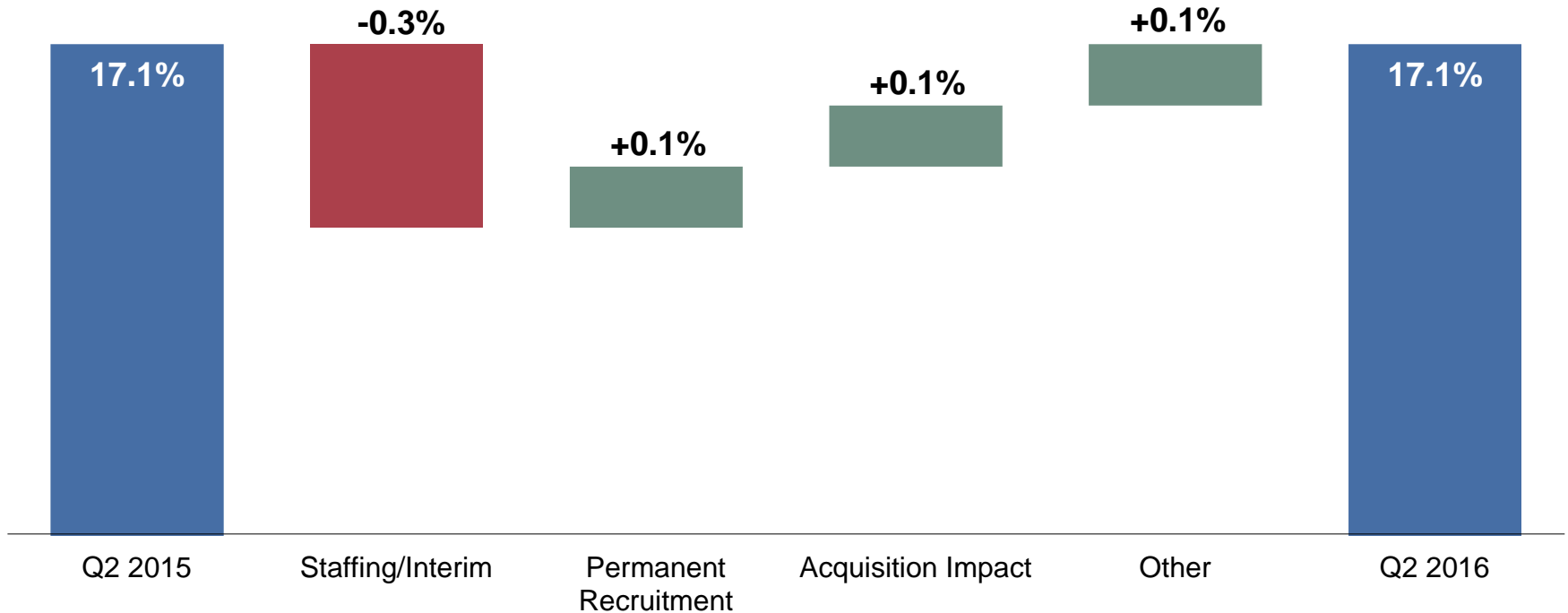
# ManpowerGroup 2016 Second Quarter Results

## EPS Bridge – Q2 vs. Guidance Midpoint



# ManpowerGroup 2016 Second Quarter Results

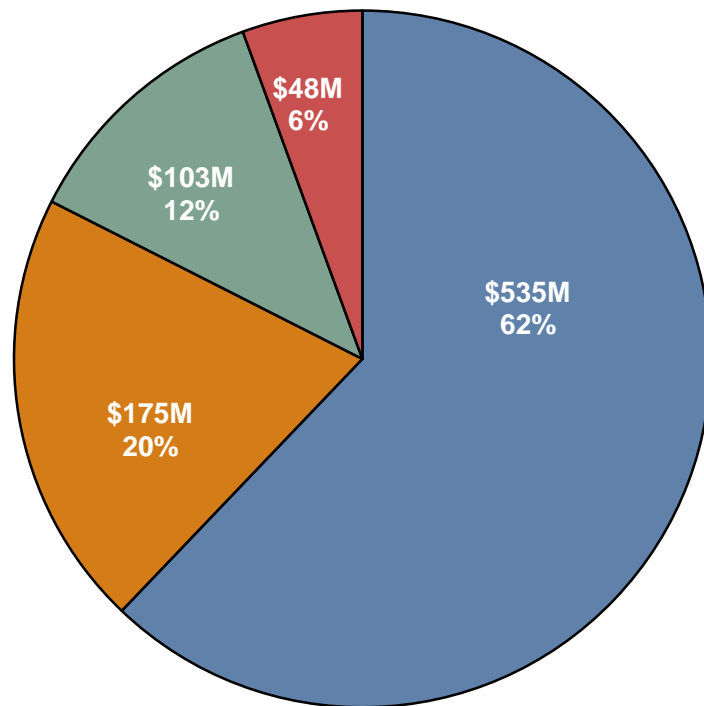
## Consolidated Gross Margin Change



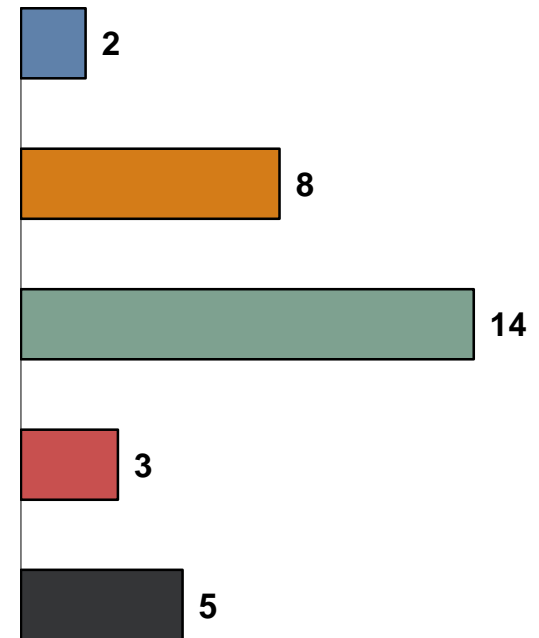
# ManpowerGroup 2016 Second Quarter Results

## Business Line Gross Profit – Q2 2016

**\$861M**



**Growth  
in CC %**

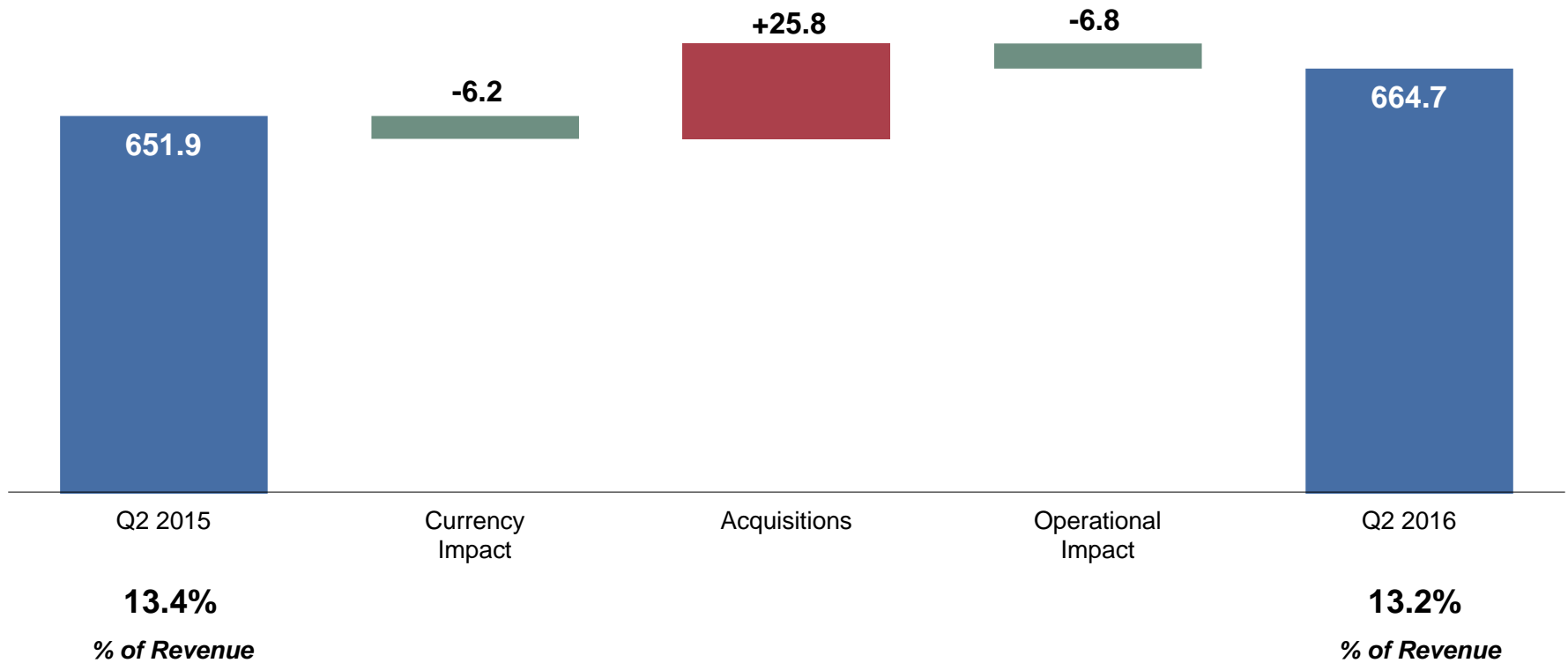


■ Manpower ■ Experis ■ ManpowerGroup Solutions ■ Right Management ■ ManpowerGroup – Total

# ManpowerGroup 2016 Second Quarter Results

## SG&A Expense Bridge – Q2 YoY

(in millions of USD)



# ManpowerGroup 2016 Second Quarter Results

## Americas Segment

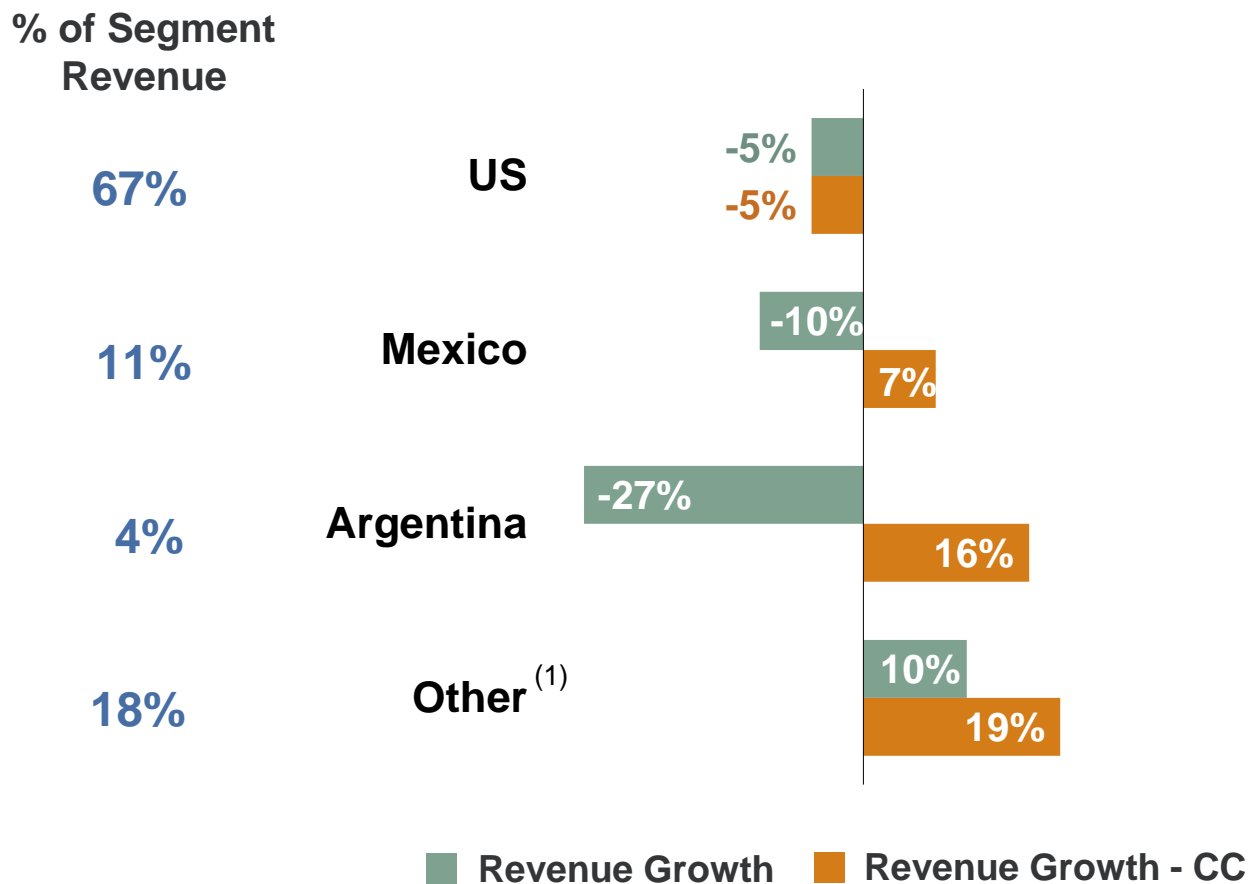
(22% of Revenue)

As Reported	Q2 Financial Highlights
↓ 4%	<b>Revenue \$1.1B</b>
↑ 1% CC	
↓ 4%	<b>OUP \$54M</b>
0% CC	
0 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.



## Americas – Q2 Revenue Growth YoY



(1) On an organic basis, Other revenue decreased 3% (+6% in CC).

# ManpowerGroup 2016 Second Quarter Results

## Southern Europe Segment

(39% of Revenue)

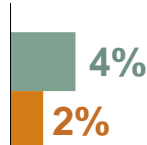
As Reported	Q2 Financial Highlights
↑ 3%	<b>Revenue \$1.9B</b>
↑ 1% CC	
↑ 8%	<b>OUP \$102M</b>
↑ 6% CC	
↑ 20 bps	<b>OUP Margin 5.3%</b>

## Southern Europe – Q2 Revenue Growth YoY

% of Segment Revenue

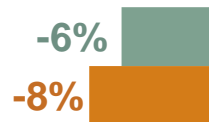
65%

France



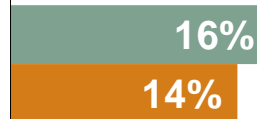
16%

Italy



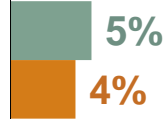
7%

Spain



12%

Other



■ Revenue Growth ■ Revenue Growth - CC

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## Northern Europe Segment

(26% of Revenue)

As Reported	Q2 Financial Highlights
↑ 7%	Revenue <b>\$1.3B</b>
↑ 10% CC	
↑ 11%	OUP <b>\$38M</b>
↑ 13% CC	
↑ 10 bps	OUP Margin <b>2.9%</b>

# ManpowerGroup 2016 Second Quarter Results

## Northern Europe – Q2 Revenue Growth YoY

% of Segment Revenue

37%

UK



20%

Nordics



19%

Germany<sup>(1)</sup>



11%

Netherlands



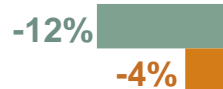
7%

Belgium<sup>(1)</sup>



6%

Other



■ Revenue Growth ■ Revenue Growth - CC

(1) On an organic basis, Germany revenue increased 10% (+8% in CC) and Belgium revenue increased 17% (+15% in CC).

# ManpowerGroup 2016 Second Quarter Results

## APME Segment

(12% of Revenue)

As Reported	Q2 Financial Highlights
↑ 10%	<b>Revenue \$615M</b>
↑ 10% CC	
↑ 21%	<b>OUP \$22M</b>
↑ 19% CC	
↑ 30 bps	<b>OUP Margin 3.6%</b>

## APME – Q2 Revenue Growth YoY

% of Segment Revenue

35%

Japan



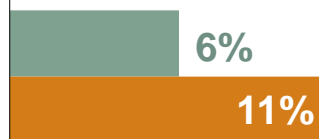
25%

Australia/NZ<sup>(1)</sup>



40%

Other



■ Revenue Growth ■ Revenue Growth - CC

(1) On an organic basis, Australia/NZ revenue decreased 2% (+3% in CC).

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## Right Management Segment

(1% of Revenue)

As Reported	Q2 Financial Highlights
↑ 1%	<b>Revenue \$73M</b>
↑ 3% CC	
↑ 24%	<b>OUP \$14M</b>
↑ 26% CC	
↑ 360 bps	<b>OUP Margin 19.8%</b>



# ManpowerGroup 2016 Second Quarter Results

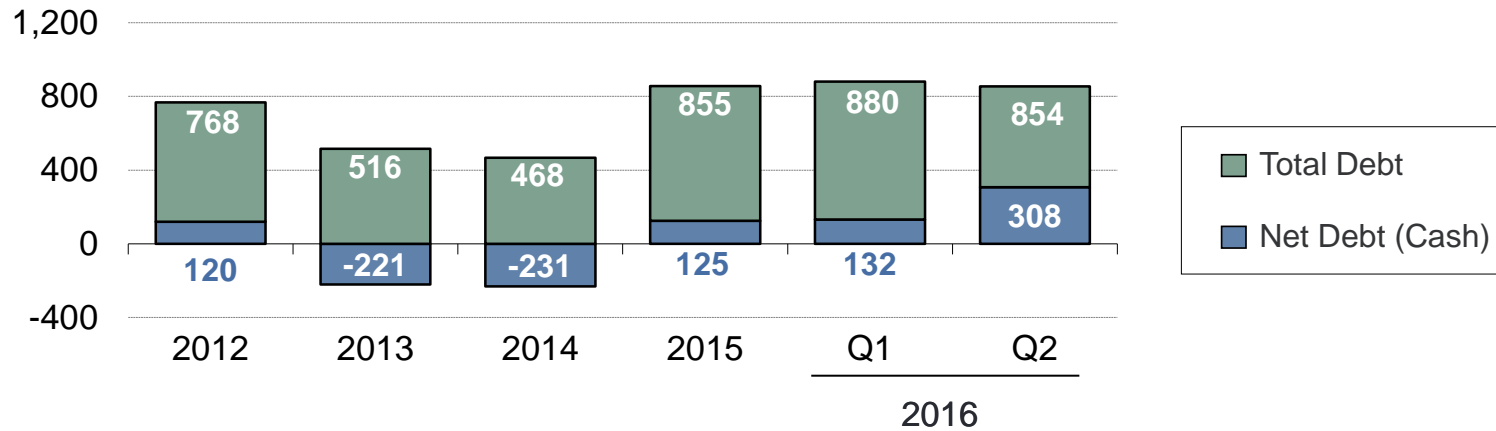
## Cash Flow Summary – 6 Months YTD

(in millions of USD)	2016	2015
Net Earnings	187	171
Non-cash Provisions and Other	96	107
Change in Operating Assets/Liabilities	(21)	(239)
Capital Expenditures	(31)	(20)
Free Cash Flow	231	19
Change in Debt	(21)	(3)
Acquisitions of Businesses net of cash acquired	(41)	(30)
Other Equity Transactions	(1)	23
Repurchases of Common Stock	(291)	(169)
Dividends Paid	(61)	(62)
Effect of Exchange Rate Changes	-	(14)
Other	-	3
Change in Cash	<u>(184)</u>	<u>(233)</u>

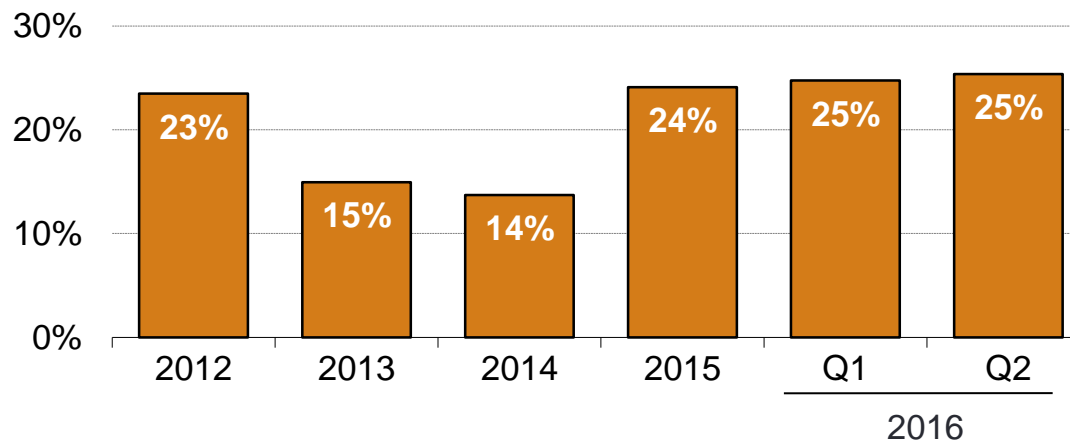
# ManpowerGroup 2016 Second Quarter Results

## Balance Sheet Highlights

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



**Total Debt to Total Capitalization**



# ManpowerGroup 2016 Second Quarter Results

## Debt and Credit Facilities – June 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>388</b>	<b>-</b>
<b>Euro Notes - €400M</b>	<b>1.913%</b>	<b>Sep 2022</b>	<b>441</b>	<b>-</b>
<b>Revolving Credit Agreement <sup>(1)</sup></b>	<b>1.47%</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>25</b>	<b>261</b>
<b>Total Debt</b>			<b>854</b>	<b>860</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 0.87 and a fixed charge coverage ratio of 4.71 as of June 30, 2016. As of June 30, 2016, there were \$0.8M of standby letters of credit issued under the agreement.

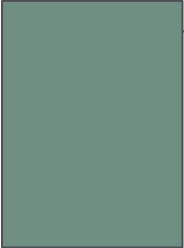
(2) Represents subsidiary uncommitted lines of credit & overdraft facilities, which total \$285.5M. Total subsidiary borrowings are limited to \$300M due to restrictions in our Revolving Credit Facility, with the exception of Q3 when subsidiary borrowings are limited to \$600M.

# ManpowerGroup 2016 Second Quarter Results

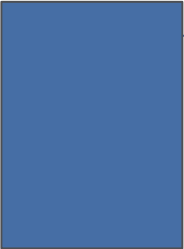
## Third Quarter Outlook

<b>Revenue</b>	<b>Total</b>	Down/Up 1% (Up 1-3% CC)
	<b>Americas</b>	Down 2-4% (Flat/Up 2% CC)
	<b>Southern Europe</b>	Down/Up 1% (Down/Up 1% CC)
	<b>Northern Europe</b>	Down 1-3% (Up 4-6% CC)
	<b>APME</b>	Up 9-11% (Up 4-6% CC)
	<b>Right Management</b>	Down/Up 1% (Up 1-3% CC)
<b>Gross Profit Margin</b>		16.9 – 17.1%
<b>Operating Profit Margin</b>		3.9 – 4.1%
<b>Tax Rate</b>		36.0%
<b>EPS</b>		\$1.66 – \$1.74 (unfavorable \$0.03 currency)

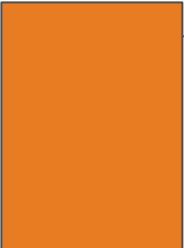
## Key Take Aways



Solid quarterly earnings growth despite the uneven market conditions; a result of our focus on price discipline and good execution in managing expenses and driving productivity.



With the added uncertainty in a slow growth environment, our clients are looking for a trusted partner such as ManpowerGroup to help them find solutions as they adjust to this new normal of certain uncertainty. This is precisely the reason we have diversified and strengthened our range of workforce solutions and brands.



The global economy remains slow and uneven; regardless of the environment, we will continue our focus on driving revenue growth aligned with our strategies and improving operational efficiency and productivity through improved processes and enhanced technology.