

MARCH 11, 2021

## Dear ManpowerGroup Shareholders, Clients, Employees and Partners,

2020 was an extraordinary year. When I wrote to you one year ago and referred to the unfolding uncertainty of COVID-19, we had little idea of the magnitude of what lay ahead. The health crisis turned economic and social crisis brought 'truly unprecedented' to life, impacting every facet of the way we live and work.

When we go through challenging times, we learn more about ourselves. At ManpowerGroup, in the last twelve months, we learned that our recent investments in technology allowed us to accelerate our digitization and technology roadmaps and transform at a speed and scale we could not have imagined. We learned that our plans to simplify and prioritize have stood us in stronger stead than even we expected. Amidst all the disruption, what we knew all along has been confirmed too: It is the combination of technology and the people-first approach of our teams that allows us to confidently manage global uncertainty, deliver locally and collaborate remotely. That is how we have been able to deliver the solutions and talent organizations need while being more agile than ever.

We are thankful for the resilience and commitment of our people to keep the world of work turning throughout 2020 – for their expertise, professionalism and dedication while so many have been managing their own personal challenges. And we are proud that we have delivered to all our stakeholders: our employees, associates, clients and the communities in which we operate. Thank you too for your continued confidence and investment in ManpowerGroup.

In perhaps the most challenging operating environment in our history, we were able to mitigate the negative impact of the pandemic on our 2020 financial results by taking early and strong actions. We finished the year with revenues of \$18 billion and operating profit of \$188 million. Excluding various restructuring charges and other special items our adjusted operating profit represented \$377 million in 2020.\*

### OUR PERSPECTIVE: EXISTING TRENDS ACCELERATE, NEW TRENDS EMERGE

The trends we have been predicting for some time are accelerating as a result of the pandemic and new trends are emerging, reshaping the future of work and the future for workers. The Technological Revolution has gathered incredible pace – we know from [our own research](#) that 38% of organizations have accelerated their digitization as a result of the pandemic, and 86% of those plan to increase or maintain their workforce hiring levels as a result<sup>1</sup>.

Every business must now be a digital business as the workplace goes hybrid and digitization of the consumer experience advances. Technology is fueling transformation while regulation and transparency accelerates climate action, green jobs and sustainable skills. The right blend of tech and talent is front and center. Acute skills shortages continue - in logistics and operations, remote contact center, cloud, cyber security, software development, data analysis and more - further reinforcing the need for the Skills Revolution we called for four years ago.

The rise in Individual Choice is accelerating too. Our [What Workers Want](#)<sup>2</sup> research – both before and during Covid – revealed people want flexibility between remote and on site, to work with companies whose purpose they can identify with, and to develop skills that will allow them to be employable for the long term. Companies are also becoming increasingly sophisticated, forced to adapt and ready to reset with enhanced supply chain resilience, greater agility, increased focus on workforce planning and the consolidation of vendors that can help them manage uncertainty and risk.

During 2020, we saw a K-shaped, two-speed economy evolve, with those industries and people able to adjust, upskill and digitize at speed bouncing back faster and thriving – those in growth sectors and with high demand skills – with others at risk of falling further behind. And as we execute on our strategic priorities, we remain committed to our purpose – that meaningful, sustainable employment has the power to change the world – and to being part of the solution to reshape a brighter, better future for work and workers.

<sup>1</sup> Skills Revolution Reboot: The Three R's-Renew, Reskill, Redeploy, ManpowerGroup, 2021

<sup>2</sup> The Future for Workers: Making the Next Normal Better for All, ManpowerGroup, 2020

"It is the combination of technology and the people-first approach of our teams that allows us to confidently manage global uncertainty, deliver locally and collaborate remotely. That is how we have been able to deliver the solutions and talent organizations need while being more agile than ever."



2020 Revenues

**\$18b**

Operating Profit

**\$188m**  
(Adjusted \$377 million)\*

Diluted Earnings Per Share

**\$0.41**  
(Adjusted diluted \$3.67)\*

## PERFORMANCE HIGHLIGHTS FOR 2020

- Our digitization plans allowed us to shift our workforce safely and securely to remote working in 10 days, while connecting 2 million people with meaningful work in 2020.
- Our diversified business mix strengthened our resilience while our experienced leadership team executed with speed and efficiency, inspiring our people to achieve more than we thought possible.
- **Manpower**, our largest brand and global leader in contingent staffing and permanent recruitment contributed 63% of gross profit, while our **MyPath®** program expanded to 14 markets, enabling tens of thousands of people to upskill for in-demand roles in finance, cloud and sales.
- **Experis**, our global leader in professional resourcing and project-based solutions specializing in IT – especially cloud, digital infrastructure, business transformation, enterprise applications and cyber security – contributed 22% of gross profit and delivered 66 million hours of professional talent in 2020.
- **Talent Solutions**, which we launched as a new brand in early 2020, combines our market-leading global offerings – Recruitment Process Outsourcing (RPO), TAPFIN Managed Service Provider (MSP) and Right Management – and contributed 15% of gross profit. Talent Solutions was named an *MSP Star Performer* and *RPO Global Leader* by Everest Group, scoring highly for vision, strategy and innovation.
- We were also recognized by a number of our largest global clients, which is a testament to the strength of our teams. We were awarded an *Exceptional Partner* award and *Supplier of the Year* recognition for our support during COVID-19.
- We were again named a *World's Most Ethical* company for the 11th year and earned the 2020 *Platinum EcoVadis* sustainability rating – putting ManpowerGroup in the top 1% of global businesses for corporate social responsibility.





## OUR ACCELERATION PLANS: DIVERSIFY, DIGITIZE AND INNOVATE

**We are confident that our strategy of *Diversification, Digitization and Innovation* is the right plan to accelerate long-term growth. We are proud that we accelerated our strategic progress and continued to fund our investments in these areas despite the pandemic.**

### DIVERSIFICATION

In 2020, we focused on diversifying our business, as we believe our long-term strategy will depend on expanding our higher margin offerings while pushing for greater efficiency and productivity. In our experience, clients emerge from downturns with a heightened need for strategic and operational workforce flexibility and our Manpower Convenience, Permanent and Specialization resourcing offerings are well-positioned to deliver to this demand as economic conditions improve. Talent Solutions continues to help clients with customized, scalable workforce solutions now while preparing them for future growth.

As organizations look to optimize their supplier management and delivery solutions and shift more to full-service HR providers with the tools and tech across markets to build resilience and flexibility, we are proud of our global leadership in this space. Our tech-enabled offerings provide just-in-time solutions while catering for increasingly complex workforce needs. We launched *RapidRecruit*, our personalized accelerated recruitment and onboarding technology, to enable our clients to optimize time-to-value when recruiting at scale. And we launched our *RightCoach*® offering at a time when organizations expected more of their leaders than ever – our on-demand platform extending virtual situational coaching beyond the executive suite to work for broader leadership too.

Our diversification strategy also involves prioritizing growth of Experis, our professional resourcing IT brand. We believe this is a higher growth area over the long term as companies continue to amplify their investments in technology. We know that organizations that put investments on hold or made cuts in 2020 are beginning to rebuild and reinvest and are confident in our plans to specialize across cloud, infrastructure, business transformation, enterprise applications and cyber. Our Experis offering is further strengthened by the continued expansion of our Experis Academies model, creating talent we know our clients need and cannot find.

### DIGITIZATION

The investments we made in our technology roadmap prior to the crisis provided us with the tools, functionality and security to shift to remote working at scale, in days, for over 20,000 employees and for clients and associates. We continued to make investments in Data Privacy and InfoSecurity infrastructure and our *Cyber Safe at Home* series increased employees' cyber vigilance while widening our use of technology and collaboration tools.

Throughout 2020 we remained laser-focused on becoming even more data-centric. We continued to invest and accelerate the deployment of our *PowerSuite*™ technology, having already implemented across 17 businesses and in process of implementing across 17 more, driving tech-enabled efficiency and productivity via cloud, mobile and analytics. We advanced our Talent Solutions platform *IntelliReach*®, enhancing our Supplier Performance Reporting by providing customized data analytics and benchmarking to clients around talent attraction, retention and development for both contingent and permanent talent.



We continued to leverage the success of *Mon Manpower*, our French associate app, the most downloaded and highly rated in the French staffing market. With more than 1.3 million downloads, an average 150,000 active users per month, *Mon Manpower* sources one-third of our French applicants. Our associates enjoy a full portfolio of services on-demand, including access to targeted opportunities, time management and payroll technology and other services including online car-pooling. The success of this market-leading tool is helping to scale and expand our B2C technology elsewhere, as we roll out new web platform and applications in anticipation of growing demand for virtual, personalized experiences in an increasingly digitized post-Covid world. These, together with our investments in next-gen infrastructure programs, will continue to be critical enablers for the next step of our process transformation and growth.

## INNOVATION

We believe that innovation is our engine for sustainable growth and durable competitive advantage. We know that digitization and data alone does not bring value. It is our vast access to people, clients and jobs, together with our aggregate data around interactions, experiences and outputs, plus our meaningful interpretations that will enable us to deliver new differentiated value. That is how we can create the insights and actions that bring data-driven behavioral change.

In 2020 we continued to invest in our *Center of Excellence in People Analytics, Assessment and Innovation* led by our 50-plus strong global innovation team. We launched *Analytics@Scale* to advance and unify our analytics capability, laying strong foundations for our data lake and continuing to improve our data-based decision-making. We have increased our skills assessments by 35%, including the scaling of *SkillsInSight*, which helps clients more accurately predict performance and supports candidates in identifying strengths, work preferences, skills and potential. This is how we are deepening, widening and refining our proprietary data, accelerating progress of our Ethical-By-Design AI-driven recruitment and skilling offerings.

Our *MyPath* program continued to expand despite the pandemic, now scaled to 14 markets across both Manpower and Experis brands. Active participants per month reached 60,000 people by end of 2020, creating data and insight that allows us to provide personalized guidance and career development that shifts and reskills people at speed from declining to growth sectors including cloud, sales and advanced manufacturing. We have also upskilled more than 2,700 of our own Talent Agents to be experts in assessment and data-based decision-making and continue to see improved reassignment and utilization rates and increased satisfaction levels with those clients and candidates that engage in *MyPath*. We are pleased with our progress and excited to expand our innovation initiatives that help close the skill gaps and address the economic and social impacts of the pandemic.

## OUR PEOPLE, CULTURE AND SOCIAL IMPACT – ROOTED IN OUR VALUES

Our purpose is rooted in our values: *People, Knowledge and Innovation*. Our success depends on our ability to unleash the potential of our own people, creating a culture of learnability and innovation and fostering an inclusive, resilient work environment.

2020 cast a harsh light on inequity and injustices that have existed for too long, for Black and Brown people and women. It was also a pivot point to recalibrate our commitments and take a stronger stance: we are pro-diversity and pro-inclusion but importantly, we are an anti-racist organization. We launched our *Courageous Conversations* series, established a *Diversity, Equity and Inclusion Council* led by our North America Regional President, leveraging our Business Resource Groups, and are resetting bold targets to increase representation of people of color at all levels, especially in leadership, sales and delivery.





In 2020, health and wellbeing, both physical and emotional, has been a top priority. Our progress in digitization also allowed us to deliver our *OneLife Wellbeing* platform and launched a peer support network active across 46 countries. To stay even more engaged and aligned with our Global Leadership Team, Emerging Leaders and All Employee network we were deliberate about increasing the frequency, channels and styles of communication. Our pulse checks and Annual People Survey showed consistent improved engagement over three years.

We accelerated our learning culture and increased investments in Learning & Development, expanding leadership and curating new, customized online learning offerings for our teams. Our mobile and web-enabled *PowerYOU* platform enabled completion of more than 60,000 courses, micro-learning and accelerated programs from remote management and remote selling to cybersecurity and agile leadership. And in 2020 we trained, tracked and certified over 4,000 of our recruiters and sales talent enhancing skills for today and growing recruiters of tomorrow through our Sales and Talent Academies.

What matters is measured and in 2020 we extended our commitment to Environmental, Social, Governance (ESG) objectives via the International Business Council's Stakeholder Capitalism Metrics focused on *People, Planet, Prosperity and Governance*. Our [ESG<sup>3</sup>](#) and [Social Impact Reports 2020<sup>4</sup>](#) demonstrated our action around our Sustainability Pillars: *Ready to Work, Reskilling and Upskilling, Integrating and Including* and the addition of our new priority around *Climate Action*. We are committed to creating long-term value for shareholders and simultaneously operating a sustainable business model that addresses the long-term imperatives of society.

## OUR OPPORTUNITY

We are optimistic about the prospects for a global recovery following the pandemic. We continue to see clients across industries experiencing shifting demand and challenging supply chains while at the same time undergoing technological transformation at rates they were not prepared for. We are convinced that workforce transformation, fast-changing demand for skills and upskilling at speed and scale will define the marketplace. And we know from experience that employers need the strategic and operational workforce flexibility in a fragile recovery.

We are proud of our transformative shift during this crisis and are even more ambitious about the speed of our future transformation given the lessons we have learned. With our talented teams and our agile, innovative solutions we are confident in our road ahead and excited to realize the opportunities of our *Diversification, Digitization and Innovation* plans. And we are committed to deliver on our purpose so that we can connect even more people to meaningful work, unleash their human potential and ensure they have a more equitable share of the prosperity, while driving growth and profitability today and preparing for further value creation in the future.

  
Jonas Prising, Chairman & CEO

<sup>3</sup> ManpowerGroup Environment, Social and Governance Report, 2020

<sup>4</sup> Working to Change the World: A Sustainable Future for Workers, ManpowerGroup, 2020

## FORWARD LOOKING STATEMENTS

This shareholder letter contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 relating to the growth of our brands, the execution of our strategy and the economic recovery that are based on our current expectations, estimates, assumptions and projections. Forward-looking statements can be identified by words such as “plan,” “may,” “believe,” “will,” and other similar expressions. Actual outcomes and results may differ materially from what is expressed or forecast in these forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to, the factors discussed in Item 1A. – Risk Factors in our annual report on Form 10-K for the year ended December 31, 2020. We caution that any forward-looking statement reflects only our belief at the time the statement is made. We undertake no obligation to update any forward-looking statements to reflect subsequent events or circumstances.

## \*NON-GAAP INFORMATION

The information in this letter includes financial information determined by methods other than in accordance with U.S. generally accepted accounting principles (“GAAP”), such as adjusted operating profit and adjusted diluted net earnings per share. The Company’s management uses these non-GAAP measures in its analysis of the Company’s performance. The Company believes that the presentation of certain non-GAAP measures provides useful supplemental information that is essential to a proper understanding of the operating results of the Company’s businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Reconciliations of this non-GAAP financial information to ManpowerGroup’s financial statements as prepared under GAAP are provided below.

### YEAR END: DECEMBER 31, 2020

<b>Net Earnings Per Share - Diluted, As Reported</b>	<b>\$ 0.41</b>
Restructuring Costs	\$ 1.56
Goodwill Impairment and Other Related Charges	\$ 1.21
Pension Settlement Expense	\$ 0.11
Software Impairment Charge	\$ 0.08
Discrete Valuation Allowance	\$ 0.21
Loss from Disposition of Subsidiaries	\$ 0.09
<b>Net Earnings Per Share - Diluted, As Adjusted</b>	<b>\$ 3.67</b>

### YEAR END: DECEMBER 31, 2020 (IN MILLIONS)

<b>Operating Profit, As Reported</b>	<b>\$ 187.6</b>
Goodwill and Other Impairment Charges	72.8
Loss from Disposition of Subsidiaries	5.8
Restructuring Costs	110.7
<b>Operating Profit, As Adjusted</b>	<b>\$ 376.9</b>

