

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 20, 2020

MANPOWERGROUP INC.

(Exact name of registrant as specified in its charter)

| | | |
|--|--|--|
| <u>Wisconsin</u> (State or other jurisdiction of incorporation) | <u>1-10686</u> (Commission File Number) | <u>39-1672779</u> (IRS Employer Identification No.) |
| <u>100 Manpower Place Milwaukee, Wisconsin</u> (Address of principal executive offices) | | <u>53212</u> (Zip Code) |

Registrant's telephone number, including area code: (414) 961-1000

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|-------------------------------|-------------------|---|
| Common Stock, \$.01 par value | MAN | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

The information in this Item 2.02, including exhibit 99.1 attached hereto, is furnished solely pursuant to Item 2.02 of Form 8-K. Consequently, such information is not deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. Further, the information in this Item 2.02, including exhibit 99.1, shall not be deemed to be incorporated by reference into the filings of the registrant under the Securities Act of 1933.

On July 20, 2020, we issued a press release announcing our results of operations for the three and six months ended June 30, 2020. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01.Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | Press Release dated July 20, 2020 |
| 99.2 | Presentation materials for July 20, 2020 Conference Call |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MANPOWERGROUP INC.

Dated: July 20, 2020

By: /s/ John T. McGinnis
Name: John T. McGinnis
Title: Executive Vice President and
Chief Financial Officer



ManpowerGroup™

FOR IMMEDIATE RELEASE

Contact:

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ManpowerGroup Reports 2nd Quarter 2020 Results

- Second quarter results materially impacted by COVID-19 crisis
- Progressive monthly improvement in revenue trends during the second quarter
- Our positioning during this downturn aided by our diversity of businesses, with Experis and Talent Solutions experiencing lower declines than Manpower brand
- Ended the quarter with \$1.4 billion of cash and cash equivalents and \$600 million of untapped revolving credit facility
- Net losses for the second quarter of \$64 million include non-cash goodwill and other impairment charges of \$73 million
- Strong cost management in light of significant decreases in gross profit – SG&A costs reduced 16% in constant currency year over year excluding impairments
- Stable dividend declared and paid during the second quarter
- Significant increase in free cash flow and continued improvement in Days Sales Outstanding during the quarter

MILWAUKEE, July 20, 2020 -- ManpowerGroup (NYSE: MAN) today reported net losses of \$1.10 per diluted share for the three months ended June 30, 2020 compared to net earnings of \$2.11 per diluted share in the prior year period. Net losses in the quarter were \$64.4 million compared to net earnings of \$127.3 million a year earlier. Revenues for the second quarter were \$3.7 billion, a 30% decline from the prior year period.

The current year quarter included special items consisting of goodwill and other impairment, and discrete tax items, which reduced earnings per share by \$1.28. Excluding these items, adjusted earnings per diluted share was \$0.18 for the period.

Financial results in the quarter were also impacted by the stronger U.S. dollar relative to foreign currencies compared to the prior year period. Earnings per share in the quarter were negatively impacted 2 cents by changes in foreign currencies compared to the prior year. On a constant currency basis, revenues decreased 28%. Excluding the impact of the special items, on a constant currency basis, net earnings per diluted share decreased 91%.

Cash and cash equivalents at the end of the quarter equaled \$1.4 billion, representing a \$300 million increase from the preceding quarter, reflecting our committed focus on collections and working

capital management. With this ongoing focus, our Days Sales Outstanding improved year over year. A \$600 million revolving credit facility, which expires in 2023, remained unused during the quarter and, combined with our existing cash position, provides significant liquidity. Free cash flow was very strong at \$577 million in the six months year to date, representing an increase of \$428 million from the year ago period excluding CICE receivable sales in 2019.

Jonas Prising, ManpowerGroup Chairman & CEO, said, "The world continues to be impacted by COVID-19 which started as a health crisis and evolved to become a global economic and social crisis. While certain regions continue to deal with the pandemic at elevated levels, elsewhere lockdowns are easing, economies are slowly re-opening and people are returning to work. I am thankful and proud of our talented colleagues for providing the highest levels of support to our clients and candidates during this extremely challenging period. In this environment, we will continue to focus on operational excellence, including managing costs prudently to offset gross profit declines while continuing to invest in our transformation. This is how we will continue to progress our key strategic initiatives and position us for further success when we emerge from these crises."

"We anticipate diluted earnings per share in the third quarter will be between \$0.59 and \$0.67, which includes an estimated unfavorable currency impact of 1 cent and an elevated effective tax rate due to the French Business Tax which will have an unfavorable impact of 7 cents. Our third quarter guidance reflects our assumptions as of today and does not anticipate any major rollbacks of economic reopening activities in any of our largest markets."

Net losses for the six months ended June 30, 2020 were \$62.7 million, or net loss of \$1.07 per diluted share compared to net earnings of \$180.8 million, or net earnings of \$2.98 per diluted share in the prior year. The year to date period included special items and restructuring costs which reduced earnings per share by \$2.07. The prior year-to-date period included special items and restructuring costs which reduced earnings per share by 46 cents. Revenues for the six-month period were \$8.4 billion, a decrease of 20% from the prior year or a decrease of 17% in constant currency. Earnings per share for the six-month period were negatively impacted 2 cents by changes in foreign currencies compared to the prior year, or 5 cents excluding the special items and restructuring costs.

In conjunction with its second quarter earnings release, ManpowerGroup will broadcast its conference call live over the Internet on July 20, 2020 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://investor.manpowergroup.com/> in the section titled "Investor Relations."

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

About ManpowerGroup

ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organizations transform in a fast-changing world of work by sourcing, assessing, developing and managing the talent that enables them to win. We develop innovative solutions for hundreds of thousands of organizations every year, providing them with skilled

talent while finding meaningful, sustainable employment for millions of people across a wide range of industries and skills. Our expert family of brands – Manpower, Experis and Talent Solutions – creates substantially more value for candidates and clients across more than 75 countries and territories and has done so for over 70 years. We are recognized consistently for our diversity - as a best place to work for Women, Inclusion, Equality and Disability and in 2020 ManpowerGroup was named one of the World's Most Ethical Companies for the eleventh year - all confirming our position as the brand of choice for in-demand talent.

Forward-Looking Statements

This news release contains statements, including statements regarding the anticipated financial and operational impacts of the COVID-19 pandemic and related economic conditions and the Company's efforts to respond to such impacts, that are forward-looking in nature and, accordingly, are subject to risks and uncertainties regarding the Company's expected future results. The Company's actual results may differ materially from those described or contemplated in the forward-looking statements due to numerous factors. These factors include those found in the Company's reports filed with the SEC, including the information under the heading "Risk Factors" in its Annual Report on Form 10-K for the year ended December 31, 2019, as well as the risks and uncertainties arising from the COVID-19 global pandemic and related governmental actions that are included under the heading "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, which information is incorporated herein by reference.

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

| | Three Months Ended June 30 | | | |
|--|----------------------------|------------|--------------------|----------------------|
| | 2020 | 2019 | % Variance | |
| | | | Amount Reported | Constant Currency |
| | | | (Unaudited) | |
| Revenues from services (a) | \$ 3,742.2 | \$ 5,373.1 | -30.4% | -28.0% |
| Cost of services | 3,165.5 | 4,502.7 | -29.7% | -27.3% |
| Gross profit | 576.7 | 870.4 | -33.8% | -31.9% |
| Selling and administrative expenses, excluding goodwill impairment charges | 559.9 | 675.6 | -17.1% | -14.9% |
| Goodwill impairment charges (b) | 66.8 | 64.0 | 4.2% | 4.6% |
| Selling and administrative expenses | 626.7 | 739.6 | -15.3% | -13.2% |
| Operating (loss) profit | (50.0) | 130.8 | N/A | N/A |
| Interest and other expenses (income), net | 5.8 | (70.2) | N/A | |
| (Loss) earnings before income taxes | (55.8) | 201.0 | N/A | N/A |
| Provision for income taxes | 8.6 | 73.7 | -88.4% | |
| Net (loss) earnings | \$ (64.4) | \$ 127.3 | N/A | N/A |
| Net (loss) earnings per share - basic | \$ (1.11) | \$ 2.12 | N/A | |
| Net (loss) earnings per share - diluted | \$ (1.10) | \$ 2.11 | N/A | N/A |
| Weighted average shares - basic | 58.2 | 60.0 | -3.0% | |
| Weighted average shares - diluted | 58.5 | 60.4 | -3.1% | |

(a) Revenues from services include fees received from our franchise offices of \$2.8 million and \$4.1 million for the three months ended June 30, 2020 and 2019, respectively. These fees are primarily based on revenues generated by the franchise offices, which were \$128.1 million and \$163.2 million for the three months ended June 30, 2020 and 2019, respectively.

(b) The goodwill impairment charges for both the three months ended June 30, 2020 and 2019 relate to our investment in Germany.

ManpowerGroup
Operating Unit Results
(In millions)

| | Three Months Ended June 30 | | | |
|---|----------------------------|-------------------|-----------------|-------------------|
| | 2020 | 2019 | % Variance | |
| | | | Amount Reported | Constant Currency |
| | (Unaudited) | | | |
| Revenues from Services: | | | | |
| Americas: | | | | |
| United States (a) | \$ 515.9 | \$ 652.7 | -21.0% | -21.0% |
| Other Americas | 320.7 | 415.5 | -22.8% | -10.0% |
| | <u>836.6</u> | <u>1,068.2</u> | -21.7% | -16.7% |
| Southern Europe: | | | | |
| France | 736.0 | 1,425.3 | -48.4% | -47.5% |
| Italy | 268.5 | 394.4 | -31.9% | -30.7% |
| Other Southern Europe | 466.3 | 574.6 | -18.9% | -18.2% |
| | <u>1,470.8</u> | <u>2,394.3</u> | -38.6% | -37.7% |
| Northern Europe | 865.7 | 1,194.1 | -27.5% | -24.2% |
| APME | 569.1 | 716.5 | -20.6% | -19.1% |
| | <u>\$ 3,742.2</u> | <u>\$ 5,373.1</u> | -30.4% | -28.0% |
| Operating Unit Profit (Loss): | | | | |
| Americas: | | | | |
| United States | \$ 9.2 | \$ 37.7 | -75.5% | -75.5% |
| Other Americas | 10.5 | 17.8 | -41.2% | -31.6% |
| | <u>19.7</u> | <u>55.5</u> | -64.5% | -61.4% |
| Southern Europe: | | | | |
| France | (2.5) | 75.7 | N/A | N/A |
| Italy | 11.0 | 29.8 | -63.0% | -62.6% |
| Other Southern Europe | 3.6 | 18.1 | -80.8% | -80.8% |
| | <u>12.1</u> | <u>123.6</u> | -90.2% | -90.4% |
| Northern Europe | 0.3 | 25.6 | -98.7% | -96.9% |
| APME | 18.0 | 29.7 | -39.4% | -39.9% |
| | <u>50.1</u> | <u>234.4</u> | | |
| Corporate expenses | (26.6) | (31.9) | | |
| Goodwill impairment charges | (66.8) | (64.0) | | |
| Intangible asset amortization expense | (6.7) | (7.7) | | |
| Operating (loss) profit | (50.0) | 130.8 | N/A | N/A |
| Interest and other (expenses) income, net (b) | (5.8) | 70.2 | | |
| (Loss) earnings before income taxes | <u>\$ (55.8)</u> | <u>\$ 201.0</u> | | |

(a) In the United States, revenues from services include fees received from our franchise offices of \$2.4 million and \$3.7 million for the three months ended June 30, 2020 and 2019, respectively. These fees are primarily based on revenues generated by the franchise offices, which were \$122.3 million and \$154.3 million for the three months ended June 30, 2020 and 2019, respectively.

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

| | 2020 | 2019 |
|------------------------------|---------------|------------------|
| Interest expense | \$ 10.4 | \$ 11.2 |
| Interest income | (3.1) | (1.1) |
| Foreign exchange loss (gain) | 0.5 | (0.5) |
| Miscellaneous income (c) | (2.0) | (79.8) |
| | <u>\$ 5.8</u> | <u>\$ (70.2)</u> |

(c) 2019 includes an \$80.0 million gain related to our acquisition of the remaining controlling interest of our Swiss franchise.

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

| | Six Months Ended June 30 | | | |
|--|--------------------------|-------------|--------------------|----------------------|
| | 2020 | 2019 | % Variance | |
| | | | Amount Reported | Constant Currency |
| | | | (Unaudited) | |
| Revenues from services (a) | \$ 8,361.3 | \$ 10,418.0 | -19.7% | -17.3% |
| Cost of services | 7,060.6 | 8,742.8 | -19.2% | -16.8% |
| Gross profit | 1,300.7 | 1,675.2 | -22.4% | -20.2% |
| Selling and administrative expenses, excluding goodwill impairment charges | 1,246.2 | 1,374.9 | -9.4% | -7.0% |
| Goodwill impairment charges (b) | 66.8 | 64.0 | 4.2% | 4.6% |
| Selling and administrative expenses | 1,313.0 | 1,438.9 | -8.8% | -6.5% |
| Operating (loss) profit | (12.3) | 236.3 | N/A | N/A |
| Interest and other expenses (income), net | 26.3 | (58.3) | N/A | |
| (Loss) earnings before income taxes | (38.6) | 294.6 | N/A | N/A |
| Provision for income taxes | 24.1 | 113.8 | -78.8% | |
| Net (loss) earnings | \$ (62.7) | \$ 180.8 | N/A | N/A |
| Net (loss) earnings per share - basic | \$ (1.07) | \$ 3.00 | N/A | |
| Net (loss) earnings per share - diluted | \$ (1.07) | \$ 2.98 | N/A | N/A |
| Weighted average shares - basic | 58.5 | 60.3 | -3.0% | |
| Weighted average shares - diluted | 58.7 | 60.7 | -3.2% | |

(a) Revenues from services include fees received from our franchise offices of \$6.1 million and \$9.7 million for the six months ended June 30, 2020 and 2019, respectively. These fees are primarily based on revenues generated by the franchise offices, which were \$210.4 million and \$406.2 million for the six months ended June 30, 2020 and 2019, respectively.

(b) The goodwill impairment charges for both the six months ended June 30, 2020 and 2019 relate to our investment in Germany.

ManpowerGroup
Operating Unit Results
(In millions)

| | Six Months Ended June 30 | | | |
|---|--------------------------|--------------------|-----------------|-------------------|
| | 2020 | 2019 | % Variance | |
| | | | Amount Reported | Constant Currency |
| | (Unaudited) | | | |
| Revenues from Services: | | | | |
| Americas: | | | | |
| United States (a) | \$ 1,126.8 | \$ 1,275.9 | -11.7% | -11.7% |
| Other Americas | 720.8 | 822.5 | -12.4% | -2.0% |
| | <u>1,847.6</u> | <u>2,098.4</u> | -12.0% | -7.9% |
| Southern Europe: | | | | |
| France | 1,829.8 | 2,731.4 | -33.0% | -31.3% |
| Italy | 596.2 | 750.8 | -20.6% | -18.6% |
| Other Southern Europe | 989.5 | 1,020.9 | -3.1% | -2.3% |
| | <u>3,415.5</u> | <u>4,503.1</u> | -24.2% | -22.6% |
| Northern Europe | 1,934.2 | 2,394.6 | -19.2% | -16.0% |
| APME | 1,164.0 | 1,421.9 | -18.1% | -16.6% |
| | <u>\$ 8,361.3</u> | <u>\$ 10,418.0</u> | -19.7% | -17.3% |
| Operating Unit Profit (Loss): | | | | |
| Americas: | | | | |
| United States | \$ 11.5 | \$ 54.3 | -78.7% | -78.7% |
| Other Americas | 24.8 | 33.0 | -25.0% | -18.1% |
| | <u>36.3</u> | <u>87.3</u> | -58.4% | -55.8% |
| Southern Europe: | | | | |
| France | 35.5 | 131.0 | -72.9% | -72.2% |
| Italy | 25.2 | 50.1 | -49.8% | -48.6% |
| Other Southern Europe | 4.4 | 29.1 | -85.0% | -85.9% |
| | <u>65.1</u> | <u>210.2</u> | -69.1% | -68.5% |
| Northern Europe | (13.8) | 27.5 | N/A | N/A |
| APME | 34.9 | 50.3 | -30.5% | -30.6% |
| | <u>122.5</u> | <u>375.3</u> | | |
| Corporate expenses | (54.4) | (59.8) | | |
| Goodwill impairment charges | (66.8) | (64.0) | | |
| Intangible asset amortization expense | (13.6) | (15.2) | | |
| Operating (loss) profit | (12.3) | 236.3 | N/A | N/A |
| Interest and other (expenses) income, net (b) | (26.3) | 58.3 | | |
| (Loss) earnings before income taxes | <u>\$ (38.6)</u> | <u>\$ 294.6</u> | | |

(a) In the United States, revenues from services include fees received from our franchise offices of \$5.4 million and \$7.3 million for the six months ended June 30, 2020 and 2019, respectively. These fees are primarily based on revenues generated by the franchise offices, which were \$198.8 million and \$311.2 million for the six months ended June 30, 2020 and 2019, respectively.

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

| | 2020 | 2019 |
|------------------------------------|----------------|------------------|
| Interest expense | \$ 21.5 | \$ 21.4 |
| Interest income | (6.8) | (2.6) |
| Foreign exchange loss | 3.6 | 2.4 |
| Miscellaneous expense (income) (c) | 8.0 | (79.5) |
| | <u>\$ 26.3</u> | <u>\$ (58.3)</u> |

(c) 2019 includes an \$80.0 million gain related to our acquisition of the remaining controlling interest of our Swiss franchise.

ManpowerGroup
Consolidated Balance Sheets
(In millions)

| | <u>Jun. 30</u> <u>2020</u> | <u>Dec.31</u> <u>2019</u> |
|--|-------------------------------|------------------------------|
| (Unaudited) | | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,438.6 | \$ 1,025.8 |
| Accounts receivable, net | 4,224.6 | 5,273.1 |
| Prepaid expenses and other assets | 229.5 | 185.6 |
| Total current assets | 5,892.7 | 6,484.5 |
| Other assets: | | |
| Goodwill | 1,178.2 | 1,260.1 |
| Intangible assets, net | 255.1 | 268.6 |
| Operating lease right-of-use asset | 409.1 | 448.5 |
| Other assets | 588.1 | 618.8 |
| Total other assets | 2,430.5 | 2,596.0 |
| Property and equipment: | | |
| Land, buildings, leasehold improvements and equipment | 593.9 | 605.5 |
| Less: accumulated depreciation and amortization | 457.5 | 462.2 |
| Net property and equipment | 136.4 | 143.3 |
| Total assets | \$ 8,459.6 | \$ 9,223.8 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 2,243.5 | \$ 2,474.9 |
| Employee compensation payable | 161.7 | 206.4 |
| Accrued liabilities | 499.6 | 545.4 |
| Accrued payroll taxes and insurance | 572.8 | 649.7 |
| Value added taxes payable | 419.5 | 504.0 |
| Short-term borrowings and current maturities of long-term debt | 40.5 | 61.0 |
| Total current liabilities | 3,937.6 | 4,441.4 |
| Other liabilities: | | |
| Long-term debt | 1,014.3 | 1,012.4 |
| Long-term operating lease liability | 308.5 | 336.7 |
| Other long-term liabilities | 656.4 | 671.8 |
| Total other liabilities | 1,979.2 | 2,020.9 |
| Shareholders' equity: | | |
| ManpowerGroup shareholders' equity | | |
| Common stock | 1.2 | 1.2 |
| Capital in excess of par value | 3,388.0 | 3,370.6 |
| Retained earnings | 3,368.2 | 3,494.1 |
| Accumulated other comprehensive loss | (479.1) | (441.0) |
| Treasury stock, at cost | (3,752.3) | (3,681.9) |
| Total ManpowerGroup shareholders' equity | 2,526.0 | 2,743.0 |
| Noncontrolling interests | | |
| Total shareholders' equity | 2,542.8 | 2,761.5 |
| Total liabilities and shareholders' equity | \$ 8,459.6 | \$ 9,223.8 |

ManpowerGroup
Consolidated Statements of Cash Flows
(In millions)

| | Six Months Ended June 30 | |
|--|-----------------------------|-----------------|
| | 2020 | 2019 |
| | (Unaudited) | |
| Cash Flows from Operating Activities: | | |
| Net (loss) earnings | \$ (62.7) | \$ 180.8 |
| Adjustments to reconcile net (loss) earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 37.0 | 39.0 |
| Non-cash gain on disposition of previously held equity interest | — | (80.4) |
| Non-cash goodwill and other impairment charges | 71.3 | 64.0 |
| Deferred income taxes | (7.9) | 13.7 |
| Provision for doubtful accounts | 10.9 | 11.5 |
| Share-based compensation | 11.5 | 12.9 |
| Changes in operating assets and liabilities, excluding the impact of acquisitions: | | |
| Accounts receivable | 988.3 | (120.9) |
| Other assets | (27.2) | 81.3 |
| Other liabilities | (425.1) | 75.2 |
| Cash provided by operating activities | <u>596.1</u> | <u>277.1</u> |
| Cash Flows from Investing Activities: | | |
| Capital expenditures | (18.9) | (24.0) |
| Acquisitions of businesses, net of cash acquired | — | 114.7 |
| Proceeds from the sale of subsidiaries, investments, property and equipment | 0.8 | 8.0 |
| Cash (used in) provided by investing activities | <u>(18.1)</u> | <u>98.7</u> |
| Cash Flows from Financing Activities: | | |
| Net change in short-term borrowings | (17.8) | (3.0) |
| Proceeds from long-term debt | 1.1 | 7.6 |
| Repayments of long-term debt | (0.1) | (0.1) |
| Payments of contingent consideration for acquisitions | (1.7) | (22.8) |
| Proceeds from share-based awards and sale of subsidiaries | 6.8 | 5.5 |
| Payments to noncontrolling interests | (0.8) | (2.1) |
| Other share-based award transactions | (6.6) | (7.3) |
| Repurchases of common stock | (63.8) | (101.0) |
| Dividends paid | (63.2) | (65.2) |
| Cash used in financing activities | <u>(146.1)</u> | <u>(188.4)</u> |
| Effect of exchange rate changes on cash | (19.1) | (8.9) |
| Change in cash and cash equivalents | 412.8 | 178.5 |
| Cash and cash equivalents, beginning of period | 1,025.8 | 591.9 |
| Cash and cash equivalents, end of period | <u>\$ 1,438.6</u> | <u>\$ 770.4</u> |



FORWARD-LOOKING STATEMENT

This presentation contains statements, including statements regarding the anticipated financial and operational impacts of the COVID-19 pandemic and related economic conditions and the Company's efforts to respond to such impacts, that are forward-looking in nature and, accordingly, are subject to risks and uncertainties regarding the Company's expected future results. The Company's actual results may differ materially from those described or contemplated in the forward-looking statements due to numerous factors. These factors include those found in the Company's reports filed with the SEC, including the information under the heading "Risk Factors" in its Annual Report on Form 10-K for the year ended December 31, 2019, as well as the risks and uncertainties arising from the COVID-19 global pandemic and related governmental actions that are included under the heading "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, which information is incorporated herein by reference.

The Company assumes no obligation to update or revise any forward-looking statements. We reference certain non-GAAP financial measures, which we believe provide useful information for investors. We include a reconciliation of these measures, where appropriate, to GAAP on the Investor Relations section of our website at manpowergroup.com.

ManpowerGroup 2020 Second Quarter Results

Consolidated Financial Highlights

| As Reported | As Adjusted ⁽¹⁾ | Q2 Financial Highlights |
|-------------|----------------------------|--|
| ↓ 30% | ↓ 30% | Revenue \$3.7B |
| ↓ 28% CC | ↓ 28% CC | |
| ↓ 80 bps | ↓ 80 bps | Gross Margin 15.4% |
| N/A | ↓ 88% | Operating Loss -\$50M (Operating Profit \$23M as adjusted) |
| N/A CC | ↓ 88% CC | |
| ↓ 370 bps | ↓ 310 bps | OP Margin -1.3% (+0.6% as adjusted) |
| ↓ N/A | ↓ 91.2% | EPS -\$1.10 (+\$0.18 as adjusted) |
| ↓ N/A CC | ↓ 90.7% CC | |

(1) As Adjusted figures exclude the impact of a goodwill impairment charge of \$67M, a software impairment charge of \$6M and discrete tax items of \$4M in Q2 2020; while Q2 2019 excludes (a) the impact of an \$80M gain from our acquisition of the remaining interest in our Manpower Switzerland business in Q2 2019, which was recorded in interest and other expenses below operating profit; (b) the impact of goodwill impairment and related tax and other charges of \$76M in Q2 2019, of which \$66M was recorded in SG&A and \$10M was recorded in provision for income taxes.

ManpowerGroup 2020 Second Quarter Results

EPS Bridge – Q2 2020 vs. Q2 2019



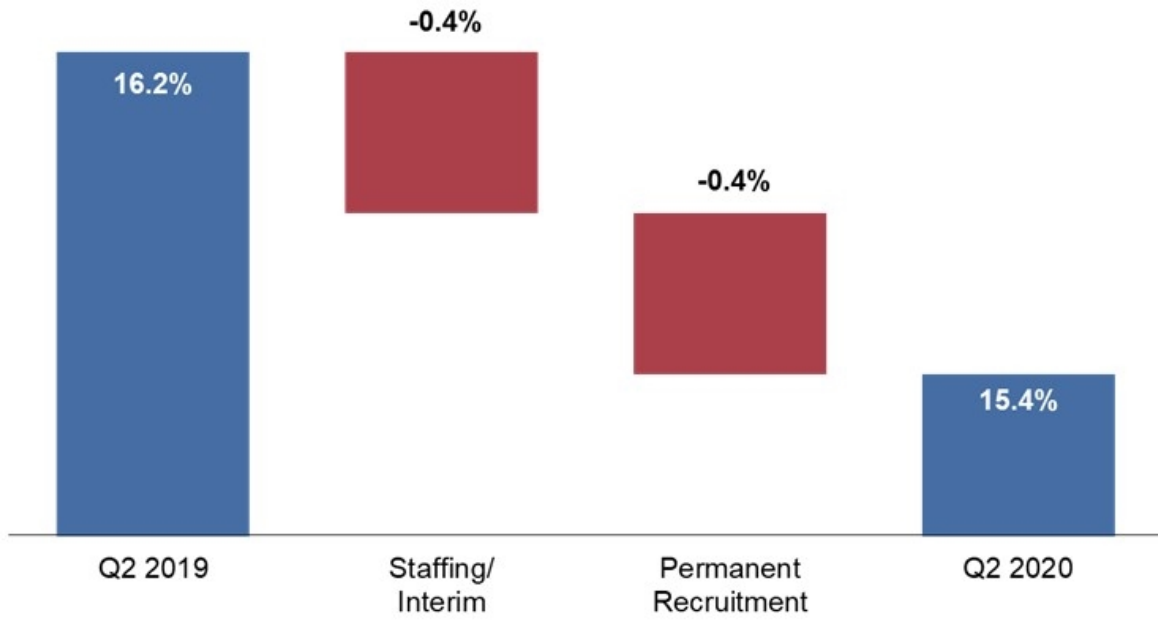
(1) Represents a favorable impact of \$1.32 related to the gain from our acquisition of the remaining interest in our Manpower Switzerland business partially offset by the unfavorable impact of \$1.26 related to the goodwill impairment and related tax and other charges.

(2) Represents the impact of share repurchases in periods prior to Q2 2020. No shares were repurchased during Q2 2020.

(3) Represents unfavorable impacts of \$1.14 related to goodwill impairment, \$0.08 related to software impairment, and \$0.06 related to discrete tax items.

ManpowerGroup 2020 Second Quarter Results

Consolidated Gross Margin Change

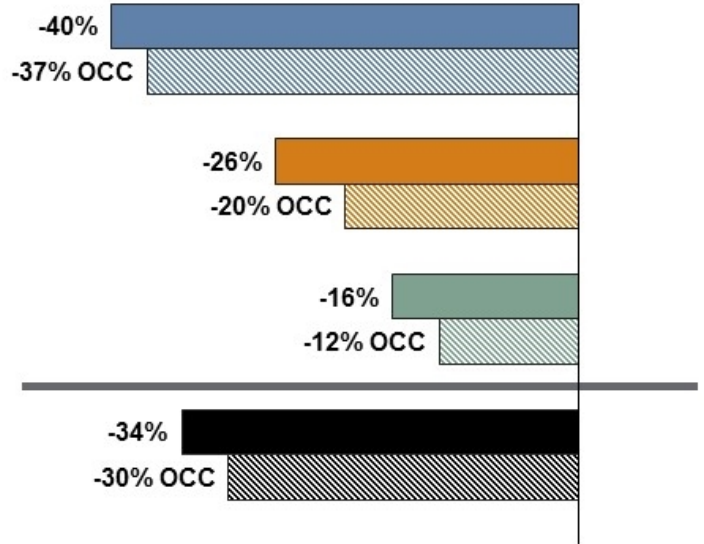
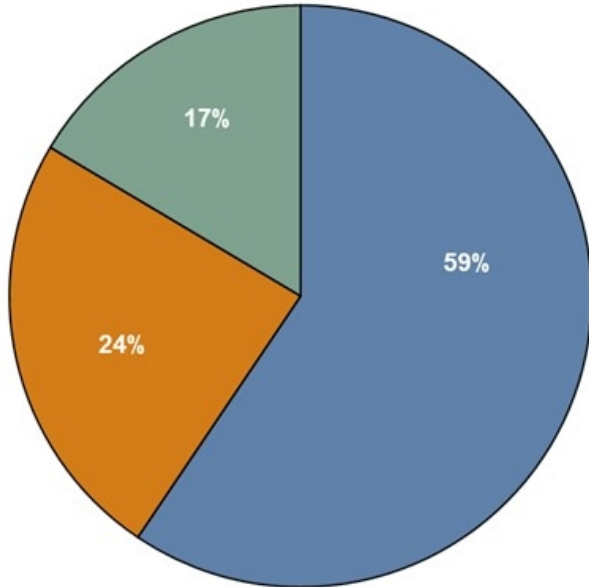


ManpowerGroup 2020 Second Quarter Results

Business Line Gross Profit – Q2 2020⁽¹⁾

\$577M

Trend

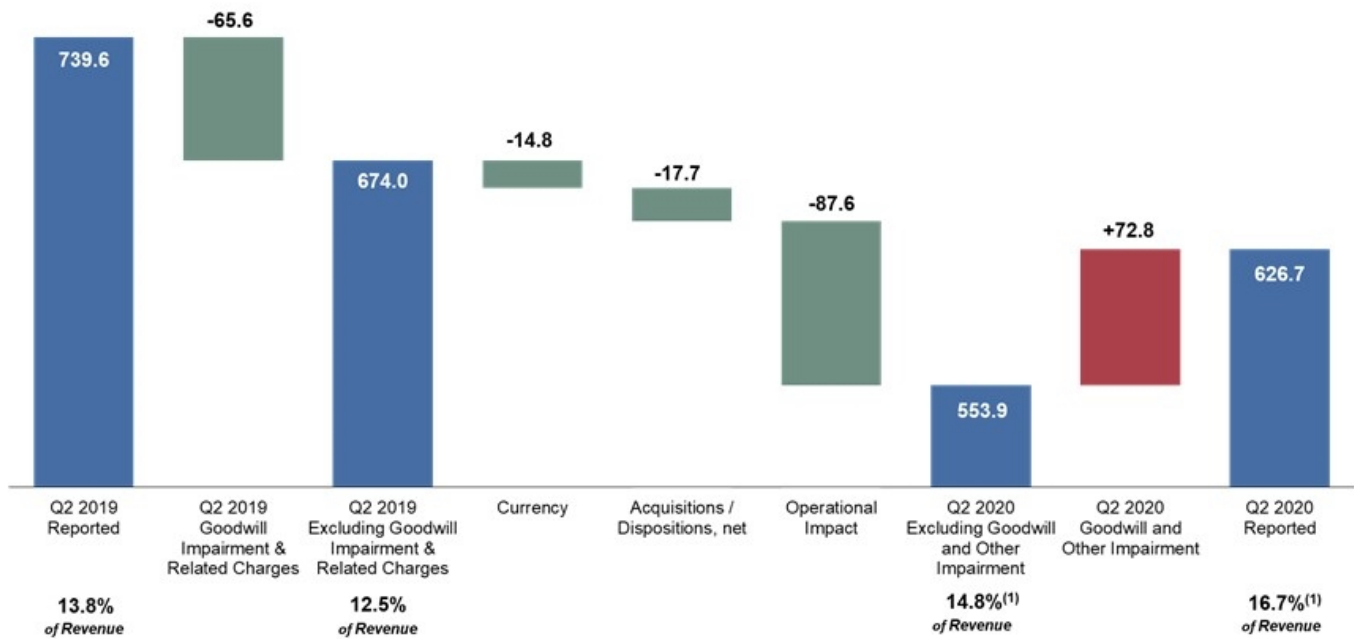


■ Manpower ■ Experis ■ Talent Solutions ■ ManpowerGroup – Total

ManpowerGroup 2020 Second Quarter Results

SG&A Expense Bridge – Q2 YoY

(in millions of USD)



(1) Reported ratio is unfavorably impacted 10 bps due to the effect of currency exchange rates on our business mix. In constant currency, SG&A excluding goodwill and other impairment was 14.7% of revenue, and SG&A as reported was 16.6% of revenue.

ManpowerGroup 2020 Second Quarter Results

Cash Flow Summary – 6 Months YTD

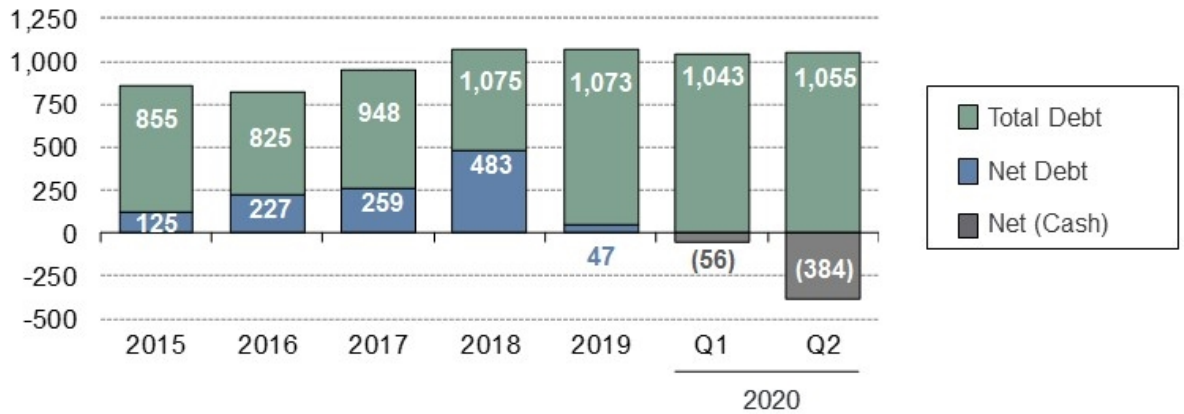
| (in millions of USD) | 2020 | 2019 |
|---|------|-------|
| Net (Loss) Earnings | (63) | 181 |
| Non-cash Provisions and Other | 123 | 61 |
| Change in Operating Assets/Liabilities | 536 | 35 |
| Capital Expenditures | (19) | (24) |
| Free Cash Flow | 577 | 253 |
| Change in Debt | (17) | 4 |
| Acquisitions of Businesses, including Contingent Considerations, net of cash acquired | (2) | 92 |
| Other Equity Transactions | 0 | (4) |
| Repurchases of Common Stock | (64) | (101) |
| Dividends Paid | (63) | (65) |
| Effect of Exchange Rate Changes | (19) | (9) |
| Other | 1 | 8 |
| Change in Cash | 413 | 178 |

ManpowerGroup 2020 Second Quarter Results

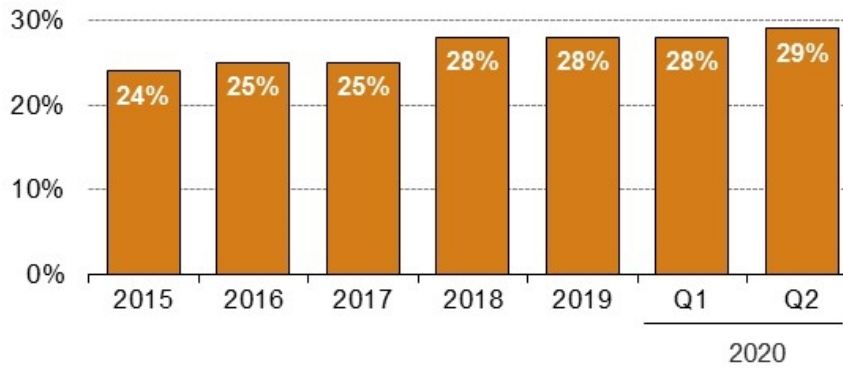
Balance Sheet Highlights

Total Debt

(in millions of USD)



Total Debt to Total Capitalization



ManpowerGroup 2020 Second Quarter Results

Debt and Credit Facilities – June 30, 2020

(in millions of USD)

| | Interest Rate | Maturity Date | Total Outstanding | Remaining Available |
|--|----------------|-----------------|-------------------|---------------------|
| Euro Notes - €500M | 1.809% | Jun 2026 | 557 | - |
| Euro Notes - €400M | 1.913% | Sep 2022 | 448 | - |
| Revolving Credit Agreement⁽¹⁾⁽²⁾ | 1.162% | Jun 2023 | - | 599 |
| Uncommitted lines and Other⁽³⁾ | Various | Various | 50 | 277 |
| Total Debt | | | 1,055 | 876 |

(1) The \$600M agreement requires that we comply with a Leverage Ratio (net 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 net Debt-to-EBITDA ratio of 0.03 and a fixed charge coverage ratio of 3.94 as of June 30, 2020. In the agreement, net debt is defined as total debt less cash in excess of \$400M. As of June 30, 2020, there were \$0.5M of standby letters of credit issued under the agreement.

(2) Under the \$600M agreement, we have an option to increase the total availability under the facility by an additional \$200M.

(3) Represents subsidiary uncommitted lines of credit & overdraft facilities, which total \$326.6M. 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 2020 Second Quarter Results

Americas Segment

(23% of Revenue)

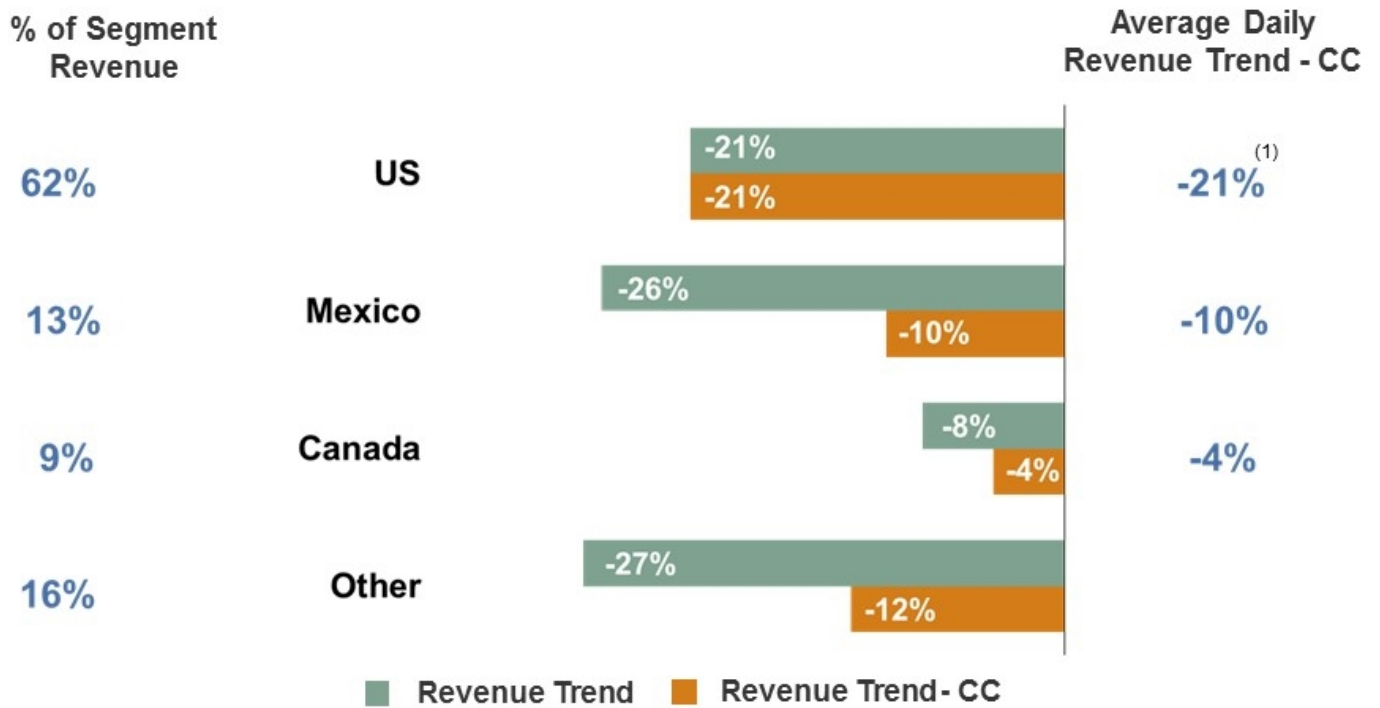
| As Reported | As Adjusted ⁽¹⁾ | Q2 Financial Highlights |
|-------------|----------------------------|-------------------------|
| ↓ 22% | ↓ 22% | Revenue \$837M |
| ↓ 17% CC | ↓ 17% CC | |
| ↓ 65% | ↓ 54% | OUP \$20M |
| ↓ 61% CC | ↓ 51% CC | |
| ↓ 280 bps | ↓ 210 bps | OUP Margin 2.4% |

(1) Excludes the impact of software impairment of \$6.0M (\$4.5M net of tax) in Q2 2020

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 2020 Second Quarter Results

Americas – Q2 Revenue Trend YoY



(1) On an organic basis, revenue and ADR for the US decreased 23%.

ManpowerGroup 2020 Second Quarter Results

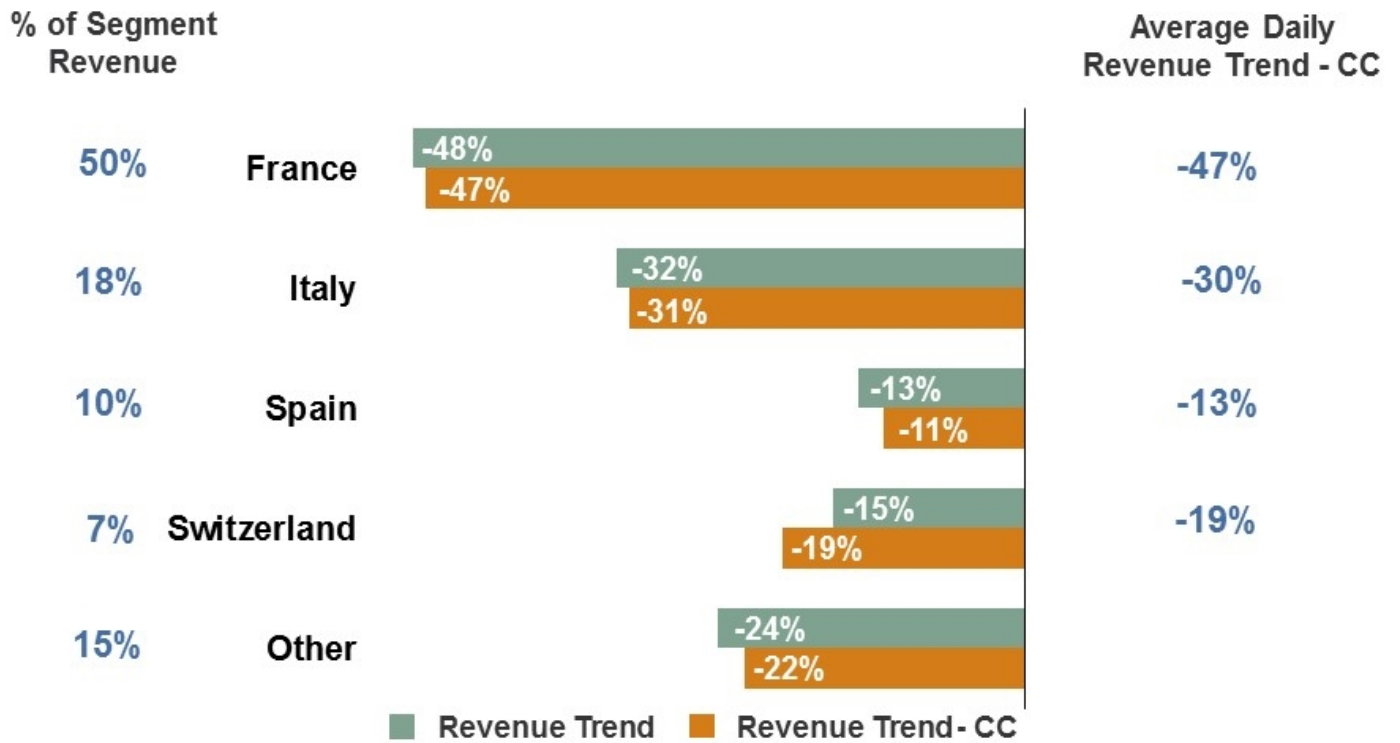
Southern Europe Segment

(39% of Revenue)

| As Reported | Q2 Financial Highlights |
|-------------|-------------------------|
| ↓ 39% | Revenue \$1.5B |
| ↓ 38% CC | |
| ↓ 90% | OUP \$12M |
| ↓ 90% CC | |
| ↓ 440 bps | OUP Margin 0.8% |

ManpowerGroup 2020 Second Quarter Results

Southern Europe – Q2 Revenue Trend YoY



ManpowerGroup 2020 Second Quarter Results

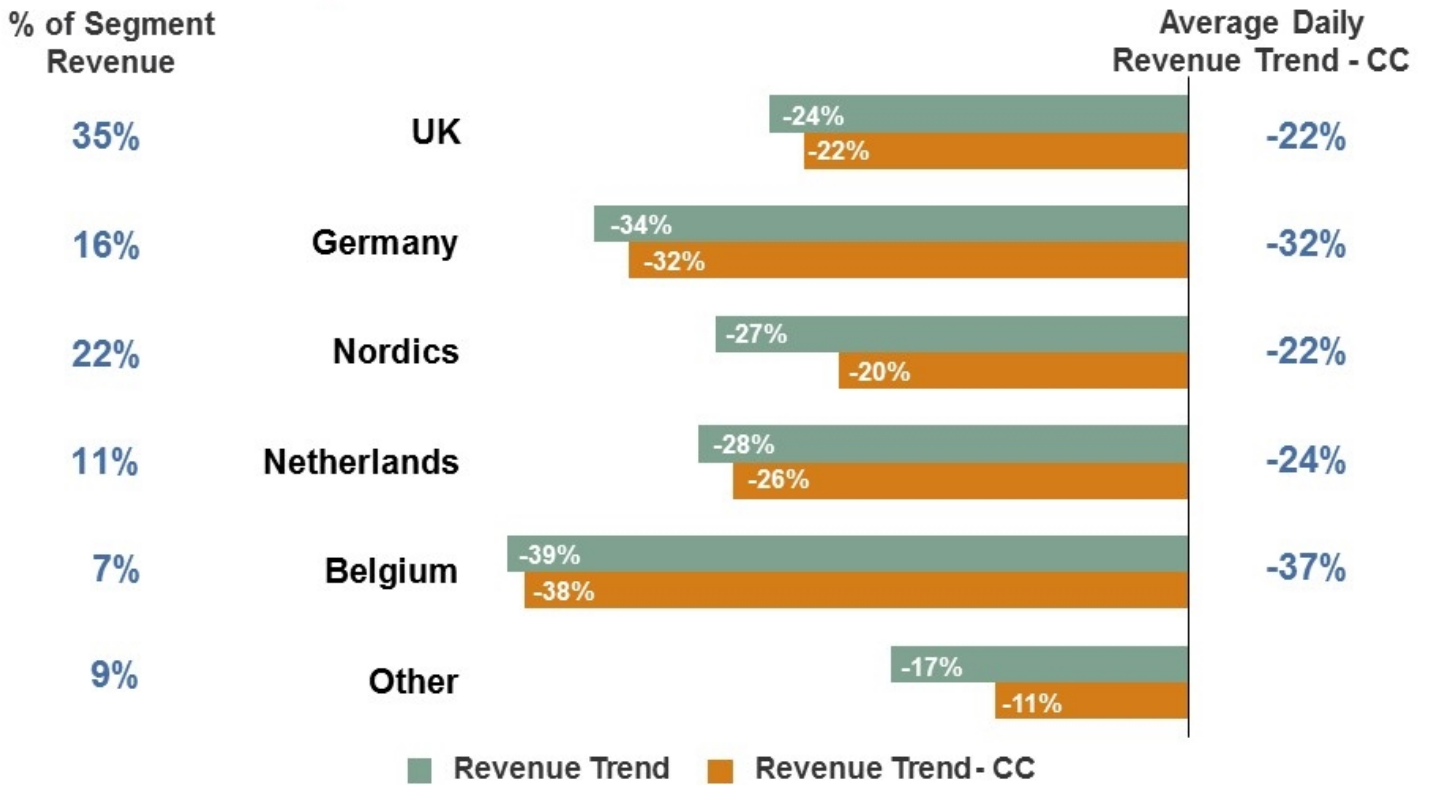
Northern Europe Segment

(23% of Revenue)

| As Reported | Q2 Financial Highlights |
|-------------|-------------------------|
| ↓ 28% | Revenue \$866M |
| ↓ 24% CC | |
| N/A | OUP 0M |
| ↓ 210 bps | OUP Margin 0.0% |

ManpowerGroup 2020 Second Quarter Results

Northern Europe – Q2 Revenue Trend YoY



ManpowerGroup 2020 Second Quarter Results

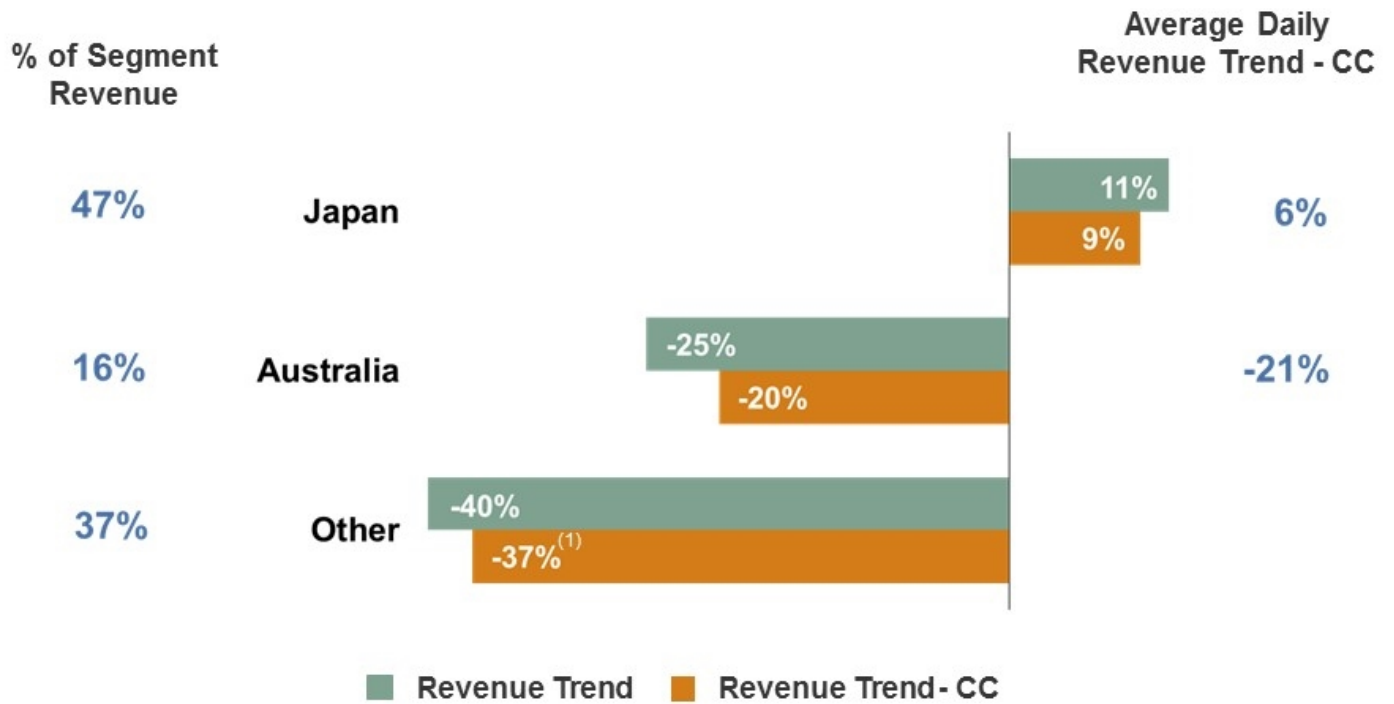
APME Segment

(15% of Revenue)

| As Reported | Q2 Financial Highlights |
|-------------|-------------------------|
| ↓ 21% | Revenue \$569M |
| ↓ 19% CC | |
| ↓ 39% | OUP \$18M |
| ↓ 40% CC | |
| ↓ -100 bps | OUP Margin 3.1% |

ManpowerGroup 2020 Second Quarter Results

APME – Q2 Revenue Trend YoY



(1) On an organic basis excluding Greater China, revenue for APME Other decreased 12% or 7% in constant currency.

ManpowerGroup 2020 Second Quarter Results

Third Quarter 2020 Outlook

| | | |
|--------------------------------|------------------------|---|
| Revenue | Total | Down 18-20% (Down 18-20% CC) |
| | Americas | Down 21-23% (Down 17-19% CC) |
| | Southern Europe | Down 20-22% (Down 21-23% CC) |
| | Northern Europe | Down 16-18% (Down 17-19% CC) |
| | APME | Down 9-11% (Down 8-10% CC) |
| Gross Profit Margin | | 15.3 – 15.5% |
| Operating Profit Margin | | 1.6 – 1.8% |
| Tax Rate | | 41.0% (reflects French Business Tax) |
| EPS | | \$0.59 – \$0.67 (unfavorable \$0.01 currency) |

ManpowerGroup 2020 Second Quarter Results

Key Take Aways



Progressive monthly improvement in revenue trends during the second quarter.



Strong balance sheet and liquidity as we confidently progress our strategic initiatives in a challenging economic environment.



Extensive portfolio of workforce solutions and services across our leading global footprint positioning us well for further opportunity during the recovery.



Commitment to deliver on our values to make workplaces more equitable so individuals and organizations emerge from this crisis stronger, more skilled, more competitive and more successful.

