



Dear ManpowerGroup Shareholders,

ManpowerGroup had a good year with solid results in 2018. It was a year of two halves: increasing demand to begin with followed by gradual market softness, especially in Europe, creating an increasingly challenging environment in the second part of the year. We executed well despite these headwinds. Our results are a demonstration of our ability to respond with agility to changing market dynamics: performance was solid with revenues of \$22 billion, operating profit of \$797 million and earnings per share of \$8.56 for the year. We are confident that our global footprint, extensive portfolio of workforce solutions and combination of talented people and technology put us in a formidable position to continue to create value for our shareholders, clients and candidates.

OUR PERSPECTIVE

The forces we identified a decade ago – shifting demographics, technological revolution, customer sophistication and individual choice – are as prevalent as ever yet now magnified and impacting in new ways. Digitization, consumerization and polarization are disrupting business models, with technology and globalization driving societal and political shifts. Now we are seeing new, even more dynamic forces at work. Data protection has moved from box-ticking to business critical. Trust and transparency in the workplace have moved from aspiration to expectation with #MeToo promising a new value system. Political uncertainty and trade wars are ricocheting around the world, challenging international relations, commerce and global growth.

The velocity with which these changes are occurring is rapidly altering the way people live, vote and work. While technology and automation are a positive force for those capable of adapting at speed, others are in danger of being left behind. The structural skills gap we predicted more than a decade ago is being exacerbated by low unemployment and the need for a Skills Revolution is more apparent than ever.


While the outlook is unpredictable and some anticipate slower growth in the coming year, we remain laser-focused and confident in our prospects. The fundamental need for

human capital and the importance of workforce strategy is as strong as ever: 45% of employers around the world struggle to find the talent they need¹ – the highest in 12 years – and 87% plan to increase or maintain their headcount as a result of automation².

We all have an important role in creating a culture of learning and building talent. Our ability to develop skills will be the passport to growth and resilience for organizations and individuals alike. The future of work and the future for workers will be one where organizations and individuals augment their capabilities with technology and achieve more than they ever thought possible.

OUR PERFORMANCE

As the leading global workforce solutions company, ManpowerGroup helps organizations achieve workforce agility by sourcing, assessing, developing and managing talent across our expert family of brands and offerings – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions. Our diversified geographic footprint and business mix means we provide skilled talent for permanent and contingent assignments to hundreds of thousands of organizations across 80 countries and territories. Our talented team of almost 30,000 employees finds meaningful, sustainable employment for millions of people and helps even more by providing career guidance, assessment and advice.



“Data-driven insight and assets that predict people’s performance, help people understand their potential and predict workforce needs will transform the future of work and the future for workers.”

Jonas Prising, Chairman & CEO

\$22b
Revenues

\$797m
Operating profit

\$8.56
Earnings per share


In 2018, we reached revenues of \$22 billion, an increase of 2% in constant currency over prior year and operating profit was \$797 million, flat to prior year in constant currency. Our operating profit margin was 3.6%; excluding restructuring costs, it was 3.8%, down slightly from prior year. Earnings per share was \$8.56 for the year, an improvement of 5% in constant currency versus prior year; excluding restructuring costs, earnings per share was \$9.02 for the year.

As a global leader in contingent and permanent recruitment, the **Manpower** business is the largest of our brands accounting for 63% of gross profit, providing flexible workforce solutions and rapid access to a highly qualified and productive pool of candidates. As companies continue to look for more skilled talent on a permanent and temporary basis to achieve improved productivity and organizational agility, Manpower is better placed than anyone in our industry to serve those needs across 80 countries. In 2018, Manpower gross profit grew by 1% while revenue grew by 2%, both on a constant currency basis compared to prior year.

Experis is a global leader in professional resourcing and project-based workforce solutions providing companies with in-demand expertise in IT, Engineering and Finance across more than 50 countries. Experis has grown into a \$3.4 billion business contributing 20% of gross profit and

delivering 3% revenue growth on a constant currency basis. In 2018 gross profit was flat on a constant currency basis versus prior year. Our market-leading geographic footprint in this brand meant we saw the fastest growth in emerging markets in 2018. As companies transform and invest in new digital infrastructure and emerging markets leapfrog in their use of the latest technologies, the need for IT skills and tech-based solutions accelerates.

Right Management is our global talent management business providing assessment, development and coaching expertise that delivers organizational efficiency, individual development and career management, helping organizations to optimize business performance and people to transition to new careers. The expansion of our *Anywhere Access* offering of high-tech workplaces and digitized tools across Europe and U.S. positions us as a leader in this space. We are providing clients and individuals with the combination of on-demand talent management, career development and outplacement solutions with the digital and in-person expertise they need. The outplacement part of the business is counter-cyclical and continues to see challenges in a strong labor market, with gross profit down 10% in constant currency for the year. In 2018 Right Management was again recognized by external analysts for depth of career management talent and workforce consulting expertise across the globe.



ManpowerGroup Solutions continues to be the fastest growing part of our business and global leader in outsourcing services for large-scale recruiting and workforce-intensive initiatives. Contributing 14% of gross profit, our offerings include Recruitment Process Outsourcing (RPO), TAPFIN® Managed Service Provider (MSP) and Talent Based Outsourcing solutions including Proservia™, our European IT infrastructure and end-user support business. ManpowerGroup Solutions performed well in 2018 with strong mid single-digit revenue growth and gross profit growth of 7% in constant currency. Our TAPFIN MSP and RPO offerings both earned top scores and industry-leading status from external analysts for the third and sixth year respectively.

With our broad and deep access to talent we continue to expand our offerings and our **Permanent Recruitment** business is now a significant contributor, reaching 16% of total gross profit. In 2018 we placed almost 200,000 individuals into permanent positions globally across Manpower, Experis and RPO.

OUR INNOVATION

Technology is transforming how organizations serve customers, how workers work and how people consume. The human capital management industry is no exception. Investment in technology is core to our strategy of maintaining our leadership in workforce solutions and executing on our innovative delivery models, enabling our people to create even more value for clients and candidates. 2018 was a year of investment and progress in advancing our digital capabilities.

We are investing in data-driven insights, assets and assessments that predict people's performance, help people understand their potential and better predict workforce needs. In 2018 we appointed our new Chief Talent Scientist to lead ManpowerGroup's global Assessment Center of Excellence and are investing in B2B and B2B+B2C tech-enabled solutions.

We are accelerating our implementation of world-class front-office systems, cloud-based and mobile applications and other enhancements to our global technology infrastructure, digitalizing our workforce solutions offerings to lower transaction costs. While building the skills and capabilities of our people, we are ensuring clients have access to the best in class HR tech stack and workforce analytics tools like *Intellireach*™.

Our innovation is providing people with new solutions in the Skills Revolution. At the World Economic Forum Annual Meeting in Davos and VivaTech in Paris, we showcased artificial intelligence transforming recruitment with our avatar *Zara* and demonstrated augmented reality upskilling for unemployed youth. Our virtual reality training is scaling beyond construction to logistics and energy sectors and *Powee* the chatbot is already providing IT helpdesk support to over 5,000 ManpowerGroup colleagues.

Our crowdsourcing and hackathon competitions help develop tech-enabled solutions that solve HR challenges and we continue to design, incubate and launch new products in our portfolio of scientifically-validated, web-based assessment tools. In 2018 more than 135,000 people assessed their learning styles and readiness to lead in the digital age with *LearnabilityQuotient*™ and *DigiQuotient*™. *SkillsInSight*™ is providing individuals and organizations with employability insights and guidance while the *DigitalEvolutionPathway*™ is leading companies to measure digital maturity and accelerate transformation. We will scale our assessments further to assess hundreds of thousands more and continue to optimize our data from organizations of all sizes.

We are leading the shift to becoming builders of talent, providing people with employment continuity, creating candidate loyalty and helping millions achieve more than they imagine. Our investments in upskilling offerings including MyPath® and Experis Tech Academies are providing the workforce analytics, data and scalable solutions our clients require in high growth sectors.

A culture of learnability is critical to the continued success of our business and we continue to broaden and deepen the skills of our own people. We have designated 2019 the Year of Learning and are accelerating this with investment in our online skills portal *powerYOU*® boasting 58,000 active learners in 2018. We have designed learning pathways for all levels of the organization including senior leadership, so they can develop the digital and human capabilities of benefit to them and our business in the Skills Revolution.

Our research and thought leadership continue to predict trends in the future of work – hiring intentions, global talent shortages, industry trends and the impact of tech on jobs – and our expertise and insights are providing practical solutions for the future for workers.

OUR SUSTAINABILITY

At ManpowerGroup we believe in duality of purpose. To drive better business outcomes we have a responsibility to our shareholders and must be a positive contributor to societal change. In 2018 we reinforced our commitment to the UN Sustainable Development Goals 4, 5, 8 and 10 during #GlobalGoals week, marking the third anniversary of our Sustainability Plan to get people ready for work, upskill and create integrated and inclusive workplaces.

Doing well by doing good also means ensuring we are best in class for our own business practices. EcoVadis® ranked us in the top 2% of all companies for business sustainability and sixteen of our markets earned Gold or Silver ratings. We were named to the Dow Jones® Sustainability Index and FTSE4Good® Index for the tenth year, more than any other company in our industry. We also reinforced our position as the most trusted and admired brand in the industry, recognized as a World's Most Ethical Company by Ethisphere® for the ninth year and one of Fortune® Magazine's Most Admired Companies achieving top scores for global competitiveness and sustainability. Our commitment to diversity, inclusion and belonging was much reinforced in 2018: named Best Place to Work for Women, for New College Graduates, for Disability Inclusion and for LGBTQ as well as a Top Ten Workplace by Glassdoor®.

At ManpowerGroup we are as intent on ensuring we achieve our ambitious diversity targets as well as our other strategic goals. Each country executes on diversity programs addressing local workforce issues while gender diversity is universally pursued as a global priority. We have the most diverse Board in the industry with 42% female representation and are confident we will achieve our goal of 40% women in senior leadership globally by 2024. We are nurturing our women leadership talent pipeline and in 2018 hosted our Women Leader Summit for the top 50 ManpowerGroup women leaders globally, supported by Right Management's peer-to-peer coaching expertise. We are committed to pay parity and have clear expectations of our leaders to hire more, promote more and lose less women.

¹Solving the Talent Shortage, ManpowerGroup, 2018

²Humans Wanted: The Robots Need You, ManpowerGroup, 2019

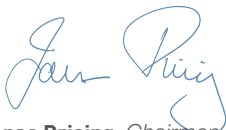
All of this is reflected in our consistently high scores in our Annual People Survey and testament to our strong leadership and talented teams who are connecting millions of people to meaningful work and upskilling opportunities every year.

OUR OPPORTUNITY

Access to skilled talent will be the key issue for all organizations as they navigate an uncertain environment. People too will increasingly want to feel reassured about their future of work. With our data, insights and intimate understanding of employers and the workforce we know that this is where our opportunities lie. Our value proposition has never been more relevant.

We are providing our clients with workforce solutions that help them win through flexibility and access to the best skilled talent, so they can execute their business strategy. We are equipping people with the skills they need to build employment continuity and be confident in their future of work, enabling them to adapt to quicker skills cycles and to augment technology with their human skills. Our digital tools will reach even more individuals, assessing and preparing them for jobs today and developing them to shape their careers for a changing landscape.

We have been bridging workforce supply and demand needs for over seven decades. Our future path is firmly rooted in our successful past. The opportunities presented by the future of work will be significant and we are very well-placed to succeed with our unmatched global footprint, our strong and connected brands and extensive portfolio of current and future workforce solutions.



Jonas Prising, Chairman & CEO

"The future of work and the future for workers will be one where organizations and individuals augment their capabilities with technology and achieve more than they ever thought possible."

For more information on ManpowerGroup, visit:
[HTTPS://YEARINREVIEW.MANPOWERGROUP.COM](https://yearinreview.manpowergroup.com)



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