



UNDER STRICT EMBARGO:

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Brazilian employers expect modest job gains to continue in the next three months, according to ManpowerGroup Employment Outlook Survey

Fourth-quarter hiring prospects improved 2 percentage points when compared to the last quarter and 5 percentage points when compared the same period of the last year. The strongest labor market is forecast by Manufacturing and Services sector employers who report a Net Employment Outlook of +11%.

Brazil, São Paulo, September 11, 2018 - ManpowerGroup, the world leader in innovative solutions for people hiring and management, announces the results of its quarterly ManpowerGroup Employment Outlook Survey for Brazil for the fourth quarter of 2018. The survey shows that the Outlook stands at +7%. Hiring prospects improve by 2 percentage points when compared with the previous quarter, and are 5 percentage points stronger when compared with this time one year ago. In all, 16% of employers anticipate an increase in staffing levels, 10% forecast a decrease and 68% expect no change.

“Considering the turbulent quarter with the uncertainty of the electoral scenario and the economic recession, mainly due to the truckers strike, this modest growth forecast represents good prospects. We believe in the recovery of the Brazilian economy and improvement of labor market after the conclusion of the elections. The strongest industry sector forecasts for the coming quarter stand at +11% in Manufacturing sector and Services sector, with improvement of 9 percentage point and 10 pp, respectively, when compared with the previous quarter”, says Nilson Pereira, Country Manager ManpowerGroup Brasil.

The study interviewed 850 employers in Brazil, and 59.351 employers in 44 countries and territories. All participants were asked, “How do you anticipate total employment at your location to change in the three months to the end of December 2018 as compared to the current quarter?”

Brazil’s Sector Comparisons

Payrolls are expected to grow in seven of the eight industry sectors during the October-December period. The strongest hiring prospects are reported in two sectors with Net Employment Outlooks of +11% – the Manufacturing sector and the Services sector. Elsewhere, Agriculture, Fishing & Mining sector employers report a cautiously optimistic Outlook of +10%, and the Outlook for the Finance, Insurance & Real Estate sector stands at +9%. Fair hiring prospects are also reflected in Outlooks of +8% for both the Public Administration & Education

sector and the Wholesale & Retail Trade sector. Meanwhile, the weakest hiring intentions are reported by Construction sector employers with a muted Outlook of -4%.

Quarter-over-quarter, hiring prospects improve in six of the eight industry sectors, most notably by 10 percentage points in the Services sector and by 9 percentage points in the Manufacturing sector. Employers in two sectors – the Agriculture, Fishing & Mining sector and the Transportation & Utilities sector – report improvements of 3 percentage points. However, the Outlook weakens in the Construction sector, declining by 2 percentage points.

Employers in five of the eight industry sectors report stronger hiring intentions when compared with this time one year ago. Transportation & Utilities sector employers report a noteworthy increase of 9 percentage points, and improvements of 8 and 6 percentage points are reported for the Manufacturing sector and the Services sector, respectively. Meanwhile, Wholesale & Retail Trade sector employers report a decline of 2 percentage points.

Brazil's Regional Comparisons

Employers in four of the five regions expect to add to payrolls during 4Q 2018. The strongest labor market is anticipated in Parana State, where the Net Employment Outlook stands at +16%. Great São Paulo employers forecast respectable workforce gains with an Outlook of +11%, and Outlooks of +8% and +2% are reported for Minas Gerais State and São Paulo City, respectively. However, Rio de Janeiro state employers report uncertain hiring plans with an Outlook of -1%.

When compared with the third quarter of 2018, hiring prospects improve in three of the five regions. Parana State employers report a considerable increase of 10 percentage points, while Outlooks are 7 and 3 percentage points stronger in Great São Paulo and Rio de Janeiro State, respectively. Elsewhere, the Minas Gerais State Outlook is unchanged, but São Paulo City employers report a 3 percentage point decline.

Hiring intentions also strengthen in three of the five regions when compared with this time one year ago. A considerable improvement of 14 percentage points is reported for Parana State, and Outlooks are 5 and 4 percentage points stronger in Great São Paulo and Minas Gerais State, respectively. However, São Paulo City employers report a decline of 3 percentage points.

Organization Size Comparisons

Participating employers are categorized into one of four organization sizes: Micro businesses have less than 10 employees; Small businesses have 10-49 employees; Medium businesses have 50-249 employees; and Large businesses have 250 or more employees.

Employers expect to add to payrolls in three of the four organization size categories during the upcoming quarter. Large employers report hopeful hiring plans with a Net Employment Outlook of +16%. Elsewhere, cautious Outlooks of +4% and +2% are reported for the Medium- and Small-size categories,

respectively. However, Micro firms report uncertain hiring plans with an Outlook of -1%.

Large employers report an improvement of 5 percentage points when compared with the previous quarter, and Outlooks also strengthen for Micro- and Small-size employers, increasing by 4 and 2 percentage points, respectively. Meanwhile, the Outlook for Medium firms remains relatively stable.

When compared with this time one year ago, Small employers report an increase of 5 percentage points, and Outlooks are 3 percentage points stronger for Medium- and Large-size employers. However, Micro employers report a decrease of 3 percentage points.

International Comparisons

ManpowerGroup's fourth-quarter research reveals that some job gains are expected in 43 of 44 countries and territories during the October-December time frame. However, there is little evidence of notable surges in hiring activity. Overall employer confidence is little changed from prior quarters and most employers remain resilient, appearing content to engage in modest levels of hiring activity against a backdrop of challenges associated with a realignment of global trading partners and ongoing tariff negotiations.

Fourth-quarter hiring plans strengthen in 22 of 44 countries and territories when compared to the July-September time frame, weaken in 14 and are unchanged in eight. When compared to last year at this time, Outlooks improve in 23 countries and territories, weaken in 13 and are unchanged in seven. Fourth-quarter hiring confidence is strongest in Japan, Taiwan, the U.S., Romania and Slovenia, while the weakest hiring prospects are reported in Switzerland, Argentina, France and Italy.

EMEA (Europe, Middle East & Africa): Across the Europe, Middle East & Africa (EMEA) region, workforce gains are expected in 25 of 26 countries. Hiring plans improve in 11 countries quarter-over-quarter but weaken in nine. In a year-over-year comparison, job gains are expected to improve in 13 countries and decline in seven. The region's strongest forecasts are reported in Romania and Slovenia, while the weakest forecasts are reported by Swiss, French and Italian employers. Conversely, Swiss employers report the weakest hiring plans, as well as the only negative forecast among the 44 participating countries and territories.

Modest job gains are expected across Europe's four largest economies. Employers in Germany forecast the group's most favorable hiring climate and report the country's strongest Outlook in seven years. Job prospects are more subdued in the UK, but hiring plans remain relatively stable with the cautiously optimistic forecasts reported three months ago and last year at this time.

Meanwhile, employers report more conservative hiring plans in both France and Italy. Some job gains are expected in most of France's industry sectors and regions, but France's Outlook dips slightly in both quarter-over-quarter and year-over-year comparisons. Italy's Outlook rebounds slightly from the prior quarter's negative forecast and is boosted, in part, by the strongest

Manufacturing sector Outlook reported since the country launched the survey in 2003.

ASIA PACIFIC: Staffing levels are expected to grow in all eight Asia Pacific countries and territories during the October-December time frame. When compared to the prior quarter, Outlooks improve in three countries and territories and decline in three others. In comparison with last year at this time, employers report stronger hiring prospects in four countries and territories, but weaker forecasts in three. Japanese employers report the region's strongest hiring plans and expect the strongest fourth-quarter global hiring pace. Employers in China expect some job gains in the next three months, but report the region's weakest hiring plans.

AMERICAS: Employers in each of 10 participating countries in the Americas region also expect varying levels of workforce gains. Outlooks improve in eight countries and decline in only two in a quarter-over-quarter comparison. Year-over-year, hiring prospects are stronger in six countries and decline in three. Employers in the United States, Canada and Mexico report the region's most optimistic fourth-quarter hiring plans, while employers in Argentina and Panama expect the weakest job growth.

Employers in the United States report the most optimistic fourth-quarter hiring plans, with the forecast remaining relatively stable from three months ago and improving slightly from last year at this time. Meanwhile, Canada's Outlook remains among the strongest reported in the last seven years with employers expecting varying levels of job growth in all 10 industry sectors and all four regions through the last three months of the year. Mexico's employers appear similarly upbeat, fueled in part by a favorable fourth-quarter forecast in the Mining & Extraction sector where the Outlook has improved steadily for the fourth consecutive quarter.

The least optimistic hiring plans in the Americas are reported in Argentina where the overall Outlook is dragged down by the Construction sector where the forecast declines to its weakest level since the survey started in 2007.

About the ManpowerGroup Employment Outlook Survey

The Manpower Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. ManpowerGroup's comprehensive forecast of employer hiring plans has been running for more than 50 years and is one of the most trusted surveys of employment activity in the world. Various factors underpin the success of the Manpower Employment Outlook Survey:

Unique: It is unparalleled in its size, scope, longevity and area of focus.

Projective: The Manpower Employment Outlook Survey is the most extensive, forward-looking employment survey in the world, asking employers to forecast employment over the next quarter. In contrast, other surveys and studies focus on retrospective data to report on what occurred in the past.

Independent: The survey is conducted with a representative sample of employers from throughout the countries and territories in which it is conducted. The survey participants are not derived from ManpowerGroup's customer base.

Robust: The survey is based on interviews with over 59,000 public and private employers across 44 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and regions to provide more detailed information.

Focused: For more than five decades the survey has derived all of its information from a single question:

For the 4Q 2018 research, all employers participating in the survey worldwide are asked the same question, "How do you anticipate total employment at your location to change in the three months to the end of December 2018 as compared to the current quarter?"

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Independent: The survey is conducted with a representative sample of employers from throughout the countries and territories in which it is conducted. The survey participants are not derived from ManpowerGroup's customer base.

Robust: The survey is based on interviews with nearly 60,000 public and private employers across 44 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and regions to provide more detailed information.

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Methodology

The Manpower Employment Outlook Survey is conducted using a validated methodology, in accordance with the highest standards in market research. The survey has been structured to be representative of each national economy. The margin of error for all national, regional and global data is not greater than +/- 3.9%.

Net Employment Outlook

Throughout this report, we use the term "Net Employment Outlook." This figure is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook. Net Employment Outlooks for

countries and territories that have accumulated at least 17 quarters of data are reported in a seasonally adjusted format unless otherwise stated.

Seasonal adjustments have been applied to the data for all participating countries except Croatia and Portugal. ManpowerGroup intends to add seasonal adjustments to the data for other countries in the future, as more historical data is compiled. Note that in Quarter 2 2008, ManpowerGroup adopted the TRAMO-SEATS method of seasonal adjustment for data.

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®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for 70 years. In 2018, ManpowerGroup was named one of the World's Most Ethical Companies for the ninth year and one of Fortune's Most Admired Companies for the sixteenth year, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup is powering the future of work: www.manpowergroup.com

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