

CZECH EMPLOYERS REPORT MODEST HIRING INTENTIONS

Prague, 10 March 2020 – Reporting a seasonally adjusted Net Employment Outlook of +5%, employers in the Czech Republic expect some payroll gains in the upcoming quarter. Hiring prospects remain relatively stable when compared with the previous quarter but decline by 4 percentage points year-over-year.*

“Czech unemployment continue to decrease, but according to the ManpowerGroup Employment Outlook Survey for the 2nd quarter of 2020, we observe shifts in demand for new employees. Our second-quarter forecast certainly doesn’t suggest that broad-based workforce contractions are in store, but it does suggest that the overall pace of hiring will slow slightly in comparison to the prior 4 years. There is a decrease in hiring intentions in manufacturing – a key sector of the Czech economy – offset by an increase in business services and trade. Overall hiring intentions remain positive and in-demand profiles are now emphasizing specialized skills in IT, engineering, skill trades or non-specialized jobs in manufacturing and logistics,” said Jaroslava Režlerová, Managing Director of ManpowerGroup Czech Republic.

Industry sector comparisons

Employers anticipate payroll gains in all seven Czech industry sectors during the course of the coming quarter. Hiring plans weaken in four sectors when compared with the first quarter of 2020, but improve in three. When compared with this time one year ago, Outlooks decline in six of the seven sectors. In a comparison of the seven industry sectors, the strongest labor market is anticipated by Wholesale & Retail Trade sector employers, who report an Outlook of +10% for the next three months. Hiring plans in the sector are 10 percentage points stronger when compared with the previous quarter, but decrease by 4 percentage points year-over-year. Hiring intentions are stronger than the national Outlook in the Construction sector (+9%). However, hiring plans in the sector are the weakest in more than two years, declining by 7 and 6 percentage points from 1Q 2020 and 2Q 2019, respectively. Other Production sector employers report the weakest hiring plans with a cautious Outlook of +1%, declining by 2 percentage points quarter-over-quarter and by 3 percentage points year-over-year. The 2Q 2020 Outlook for the Czech Manufacturing sector – standing at +4% – is the weakest in more than six years, declining by 3 and 10 percentage points from 1Q 2020 and 2Q 2019, respectively.

Regional comparisons

Job gains are expected in all three Czech regions during the forthcoming quarter. In a comparison with 1Q 2020, hiring plans improve in one region, while decreasing in one region. When compared with 2Q 2019, Outlooks decline in all three regions. Hiring prospects are strongest in two regions with Outlooks of +6% - Prague and Moravia. In Prague, the Outlook is 2 percentage points stronger quarter-over-quarter but declines by 4 percentage points when compared with this time one year ago. In Moravia, hiring plans are unchanged in comparison with the prior quarter, but dip by 2 percentage points year-over-year. The Bohemia Outlook is the weakest regional forecast, standing at +3%. Hiring intentions remain relatively stable quarter-over-quarter but are 5 percentage points weaker in comparison with 2Q 2019.

Organization Size Comparisons

Employers in three of the four organization size categories expect to grow payrolls in the second quarter of 2020, with the strongest Outlook of +14% reported by Large employers. Meanwhile, Small employers expect the weakest hiring activity, forecasting a flat labor market with an Outlook of 0%.

Global overview

In the ManpowerGroup research for the second quarter of 2020, employers in 42 of 43 countries and territories surveyed expect to increase payrolls in the April to June period. When compared with the first quarter of 2020, hiring intentions strengthen in 23 of the 43 countries and territories, while employers in 11 report weaker hiring plans, with no change reported in nine. In a comparison with this time one year ago, employers in 15 countries and territories report stronger hiring prospects, while hiring plans decline in 21, and are unchanged in seven. The strongest hiring activity is anticipated in Croatia, Greece, Japan and Taiwan, while the weakest labor markets are expected in Panama, Hong Kong, Poland and South Africa.

The next ManpowerGroup Employment Outlook Survey featuring the forecast for the 3Q 2020 period will be published on 9 June 2020.

***The survey was conducted between January 6 and January 28 before the global escalation of Covid-19**

About the Survey

The global leader in innovative workforce solutions, ManpowerGroup releases the ManpowerGroup Employment Outlook Survey quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. It is the longest running, most extensive, forward-looking employment survey in the world, polling over 58,000 employers in 43 countries and territories. The survey serves as a bellwether of labor market trends and activities and is regularly used to inform the Bank of England's Inflation Reports, as well as a regular data source for the European Commission, informing its EU Employment Situation and Social Outlook report the *Monthly Monitor*. ManpowerGroup's independent survey data is also sourced by financial analysts and economists around the world to help determine where labor markets are headed.

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 over 70 years. In 2019, ManpowerGroup was named one of the World's Most Ethical Companies for the tenth year and one of Fortune's Most Admired Companies for the seventeenth 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

In January 2011, at the World Economic Forum Annual Meeting in Davos, Switzerland, ManpowerGroup announced the world has entered the Human Age, where talent has replaced capital as the key competitive differentiator. This concept of talentism as the new capitalism continues to resonate and was echoed as a core theme of the 2012 Annual Meeting of the World Economic Forum in Davos. Learn more about this new age at www.manpowergroup.com/humanage.

Gain access to ManpowerGroup's extensive thought leadership papers, annual Talent Shortage surveys and the ManpowerGroup Employment Outlook Survey, one of the most trusted indices of



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employment activity in the world, via the ManpowerGroup World of Work Insight iPad application. This thought leadership app explores the challenges faced by employers navigating the changing world of work and provides in-depth commentary, analysis, insight and advice on strategies for success.

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About ManpowerGroup Czech Republic

Through a network of over 35 offices, we provide staff (nearly 12,000) for around 1,200 clients. With employment opportunities in the public and private sector, on both a permanent and temporary basis, we make it easy for people to find employment and for companies to find staff with the skills they need. Solutions include permanent and temporary positions, holiday, maternity or sick coverage, through to large workforce transformation and outsourcing contracts.

More information available on www.manpowergroup.cz.