

UNDER STRICT EMBARGO UNTIL 04.09.20 AT 00.01 (EST)

- Press Release -

ManpowerGroup Global Employment Survey
Employers are reporting limited hiring plans in their employee recruitment forecasts for Q4 2020 - only 12% of employers forecast a growth in headcount

- The outlook in the global labor market due to the COVID-19 pandemic are not consistent with the outlook in Israel -
- The survey, which was conducted during this extraordinary period coinciding with the outbreak of the Coronavirus pandemic reflects the impacts of the global health crisis
- The ManpowerGroup Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease their payrolls during the next quarter. ManpowerGroup's comprehensive hiring intentions survey has been ongoing for over 55 years; it reports the employers' forecasts and is considered one of the most reliable surveys in the world in the field of employment activities
- Hiring prospects improve by 10% when compared with the previous quarter but are 7% lower Year-over-year
- Employers in the North are cautiously optimistic in the employees hiring pace, which stands at + 10%
- The area in which the largest increase was reported is in the construction sector - with an upbeat employment outlook of +17%
- **Tel Aviv, Israel, September 4, 2020** - the survey, which was conducted during this extraordinary period coinciding with the outbreak of the Coronavirus pandemic reflects the impacts of the global health crisis. The survey results differ dramatically from the results in the previous quarters.

The ManpowerGroup Employment Outlook Survey for Q4 2020 was conducted by interviewing a representative sample of employers in Israel. The participants in the survey were asked "How do you anticipate general employment in your geography to change in the three months (to the end of *December 2020*) in comparison to the current quarter?"

Israeli employers report limited hiring plans - 14% of employers in Israel expect a decrease in new employee hiring, 63% predict no change and only 12% anticipate an increase in their payrolls.

Therefore, **the Net Employment Outlook in Israel stands at -2%**. *The Net Employment Outlook 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.*

In addition, in order to understand the impacts of the global health crisis on the employment forecasts in Q4 2020, 355 employers in Israel were asked how the Coronavirus crisis will impact their business activity in the coming three months

To the question: When do you expect your company to return to the pre-COVID-19 headcount levels?

22 of those questioned responded that they will return to that headcount level within 3 months

14 of those questioned responded that they will return to that headcount level within 4-9 months

16 of those questioned responded that they would never be returning to the same headcount level

27 of those questioned responded that they do not yet know when they will be returning to the same headcount level

To the question: How do you expect the makeup of your workforce to look in the coming six months?

Full-time employees

16 responded that they would have a higher headcount than under the current circumstances

61 responded that the headcount would not change from the current state

Part-time employees

4 responded that they would have a higher headcount than under the current circumstances

33 responded that the headcount would not change from the current state

Contractor employees

2 responded that they would have a higher headcount than under the current circumstances

26 responded that the headcount would not change from the current state

Temporary employees

2 responded that they would have a higher headcount than under the current circumstances

18 responded that the headcount would not change from the current state

To the question: Are you preparing to provide your employees with additional occupational options?

28 employers responded that they would allow partial telecommuting

19 employers responded that they would allow full-time telecommuting

19 employers responded that they would allow flexible hours

19 employers responded that they would allow their employees to work part-time

Employment Outlook by Geography

Employers in four of the six regions forecast trim payrolls in the next three months. The weakest hiring intentions for the coming quarter are reported in the South, with a Net Employment Outlook of -5%. At the same time, the outlook in the Center and in Tel Aviv is -4%, and in Jerusalem -3%. However Employers in the North are reporting cautious optimism in their hiring intentions, with an outlook of +10%, while in Haifa the outlook is +2%.

Compared with Q3 2020, hiring intentions are stronger in four of the six regions, with the most significant uptick of 23 percentage points in North. Employers in Tel Aviv are reporting a significant increase of 10 percentage points in their outlook, and the outlook in the South and in Haifa improves by 5 and 4 percentage points, respectively. At the same time, employers' reports in Jerusalem indicate that hiring intentions will remain unchanged, whereas hiring intentions in the Center will remain relatively stable.

Year-over-year, hiring intentions weaken in five of the six regions. Significant decreases - of 16 and 14 percentage points - are reported in the South and Center, respectively, and the outlook for Tel Aviv weakens by 12 percentage points. At the same time, employers in the North are reporting a slight improvement of 3 percentage points.

Net Employment Outlook by Sector

Employers in three of the seven industry sectors anticipate job gains in the coming quarter.

The strongest hiring intentions are reported in the Construction sector, with an accelerated Net Employment Outlook of +17%. At the same time, in the Wholesale & Retail Trade sector and in the Finance & Business Services sector, a slow pace of hiring intentions outlook was reported of +2% and +1%, respectively. However employers in the Restaurants & Hotels sector are reporting downbeat hiring intentions with an outlook of -21%. Employers in the Manufacturing sector and in the manufacturing-durables sector and in the Other Production sector also forecast trim payrolls with an outlook of -6% and 4%, respectively. Employers in the Other Services sector are reporting no change in hiring intentions, with a forecast of 0%.

Quarter-over-quarter, employers report an improvement in hiring intentions in five of the seven industry sectors. Employers in the Construction sector are reporting a sharp uptick of 27 percentage points, and the outlook for the Finance & Business Services sector improves by 16 percentage points. Increases of 9 and 7 percentage points were reported in the industry-based manufacturing sector and in the Wholesale & Retail Trade sector, respectively. At the same time, hiring intentions weaken by 8 percentage points in the Restaurants & Hotels sector and by 2 percentage points in the Other Production sector.

In comparison with the last quarter of 2019, employers in six of the seven industry sectors are reporting weaker hiring forecasts. A sharp decline of 31 percentage points is reported in the Restaurants and Hotels sector. Employers in the Industry-based Manufacturing sector are reporting a decline of 17 percentage points. At the same time, sharp declines of 10 and 6 percentage points are reported in the Other Production sector and in the Finance & Business Services sector, respectively, however employers in the Construction sector are reporting a considerable improvement of 10 percentage points.

Employment Outlooks by Organization-Size Comparisons

Employers in three of the four size categories forecast trim payrolls in the coming quarter. Large employers forecast the weakest hiring pace and are reporting a Net Employment Outlook of -8%, while Small employers and Micro employers are reporting outlooks of -7% and -2%, respectively. Medium-sized companies on the other hand, forecast a modest uptick in the number of work places with a forecast of +8%.

When compared with the previous quarter, medium employers are reporting a sharp uptick of 27 percentage points and the outlook for the Micro employers improves by 3 percentage points. At the same time, the hiring forecasts weaken by 3 percentage points in the small and large businesses alike.

Year-over-year, there is a weakening in hiring intentions in all four organization size categories. The large employers are reporting a sharp decrease of 22 percentage points and the outlook in the small employers category weakens by 11 percentage points. Elsewhere, in the medium and micro employer categories, the outlook weakens by 3 and 2 percentage points, respectively.

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.

Global Employment Outlook

Close to half of the countries surveyed forecast cautious growth in headcount in the coming quarter

ManpowerGroup personnel have interviewed over 38,000 employers in 43 countries and territories to form a forecast of the expected activity

Employers in 22 of the 43 countries and territories surveyed by ManpowerGroup forecast a growth in headcounts for the period ending in December 2020. Employers in 16 countries and territories forecast a decrease in headcounts, and employers in five forecast no change in recruitment activity.

In comparison to Q3 2020, hiring prospects are stronger in 37 countries and territories and decline in five, remaining unchanged in one. Employers in 41 countries and territories are reporting weaker hiring intentions compared to last year at this time, in one country hiring intentions remain unchanged and in one country - Turkey - they improve. Labor markets are expected to be the strongest in Taiwan, the U.S., Turkey, Japan and Greece, whereas the weakest hiring intentions are reported in Panama, Costa Rica, South Africa, Colombia and Britain.

A growth in workforce in the coming three months is expected in 13 of the 26 countries in the Europe, Middle East and Africa (EMEA) region, while employers in eight countries forecast cuts in headcounts, and employers in five countries are reporting stagnation in hiring intentions. Compared with Q3 2020, hiring intentions strengthen in 24 of the 26 countries in the EMEA region, but weaken in 25 compared to last year at this time. The strongest labor markets are expected in Turkey, Greece, and Poland, while the weakest recruitment activity is expected in South Africa, Britain and Croatia.

Employers in five of seven countries and territories surveyed in the Asia Pacific region forecast a growth in headcount in the final quarter of 2020, whereas in two countries a decrease is expected. Hiring plans improve in four of the countries and territories in the region quarter-over-quarter but weaken in three. Compared to Q4 2019, employers in six countries and territories report a weakening in hiring intentions. The most robust recruitment activity in the coming quarter is expected in Taiwan and Japan, while the weakest labor markets are expected in Singapore and Hong Kong.

Employers in four of the 10 countries in the Americas region expect some workforce gains in the upcoming quarter, whereas employers in the six others expect a decline. When compared with the previous quarter,



hiring intentions strengthen in nine of the 10 countries, but weaken in 10 compared to last year at this time. The strongest hiring intentions for Q4 are reported in the United States and Canada, while employers in Panama, Costa Rica and Colombia are reporting the weakest hiring intentions.

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 substantial 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.

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