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# Akkodis Strategy update

Adecco Group Capital Markets Day 2022



## Introducing Akkodis

# Building a global leader in Smart Industry



Addressing  
**fundamental shift  
towards digital and  
connected world**



Provider of specialist  
expertise in high demand  
as a **new technology  
powerhouse**



Creating  
**a leader at scale  
in Smart Industry**



**Global #2** in ER&D  
Services market joining  
**complementary  
engineering, IT and data  
analytics skills**



Accelerating  
**Future@Work  
for the Group**



**Unique 360° ecosystem**  
around attracting, retaining,  
skilling and providing  
expertise to address high-  
tech talent scarcity



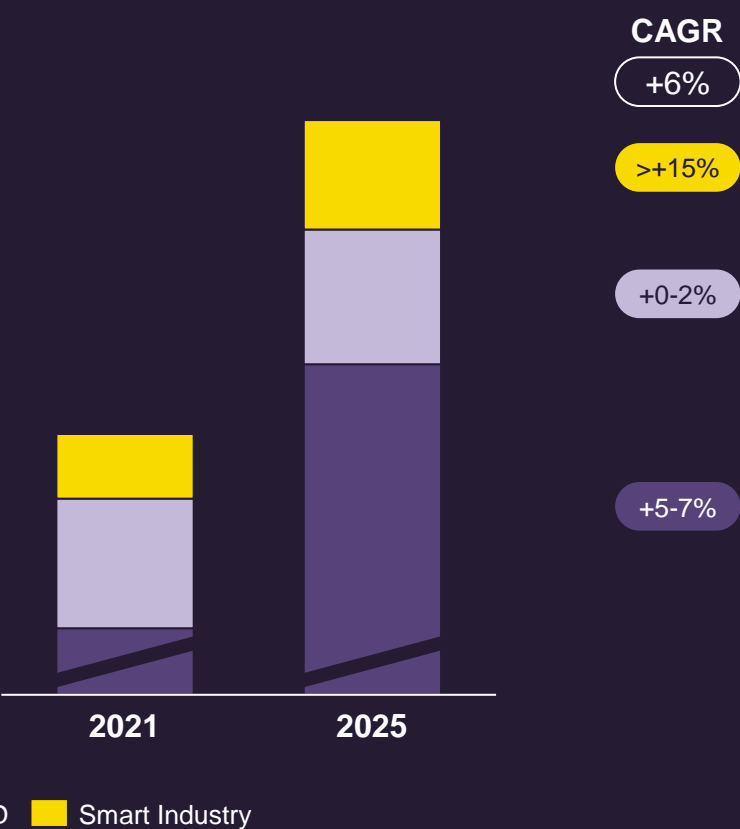
Realising  
**strong value creation  
opportunity**



Focusing on **high growth  
and margin** business  
while uniting  
**complementary service  
and client portfolios**

# Focusing on high growth market

Addressable market today at ~\$450 bn<sup>1</sup>



<sup>1</sup> Of which ER&D services spend ~\$80 bn  
Source: Zinnov; Gartner; OECD; IHS Markit

## Global R&D leaders are key customers

**Automotive & Transportation**

BMW, VW, ALSTOM, TOYOTA, DENSO, STELLANTIS, Mercedes-Benz

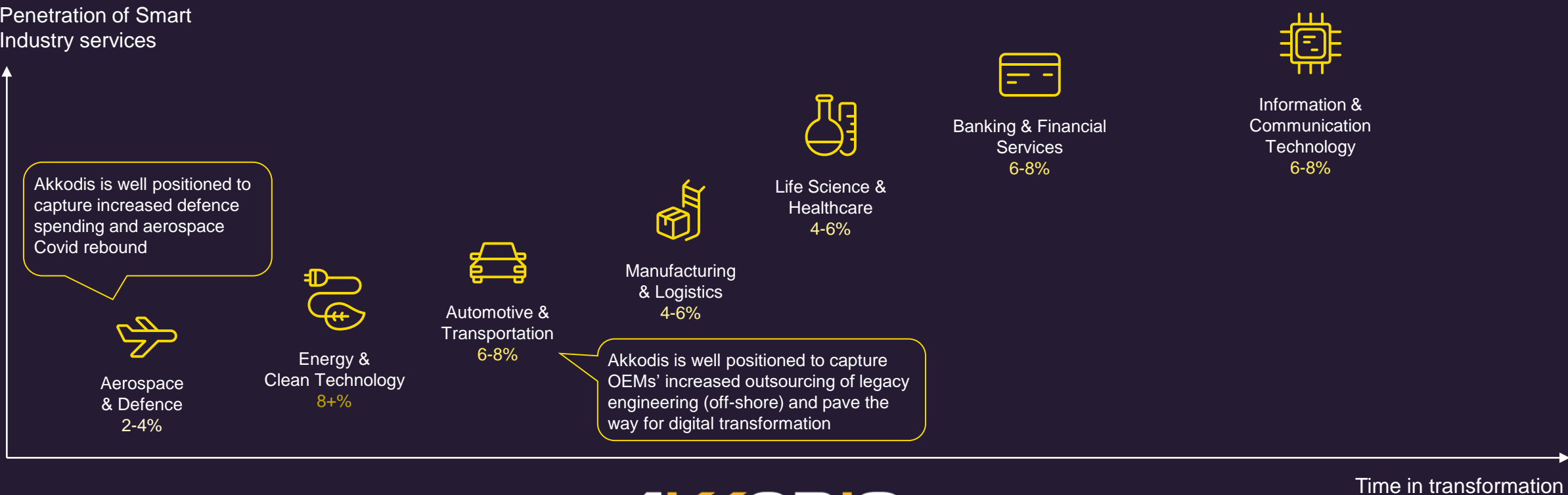
**Aerospace & Defence**

LEONARDO, BOMBARDIER, BOEING, AIRFRANCE, AIRBUS, THALES, SAFRAN

**Information & Communication Technology**

orange, bouygues, ERICSSON, amazon, CISCO, HUAWEI, NOKIA, Microsoft, SPIE

# Smart Industry penetration drives demand



Combined offering supports customers throughout the transformation journey

Chart shows estimated market CAGR 2021-25  
Source: Zinnov; Gartner; OECD; IHS Markit; Interviews with market participants

# Delivering the 7x7x4 strategy

## Strategic Focus

**7 Key Technologies**

**7 Global Sectors**

**4 Service Lines**

## Delivery

**5 mn pre-qualified tech candidates** in our multi-national network

**50,000 engineers & digital in-house experts**

**6,900 talents upskilled / reskilled in 2021**

## Next steps

**Invest in our people** to attract the best and skill our talent according to market needs

Accelerate **scale-up of near- and off-shore delivery** across the globe (India, Morocco, Bulgaria, Romania)

Strengthen and **expand global industry and technology practices**



## Adecco Group Ecosystem

Jointly approaching clients with our sister GBUs capitalising on:


- **Extensive client relationships and deep knowledge** and understanding of clients' needs
- **Utilisation of Adecco's and LHH's core competencies** in workforce and talent solutions **as well as Akkodis' technology expertise** to cross-sell the full service offer
- **Benefit of the Group's scale and global reach** to address joint market challenges

# Setting financial ambitions for higher growth and margin

Well positioned, pivoting to higher growth...

| Future segment  | Revenue growth estimate | Key drivers   |
|-----------------|-------------------------|---|
| Southern Europe | ~6%                     | Improved service and industry mix   |
| Northern Europe | ~6%                     | Strong digital exposure   |
| North America   | ~7%                     | Mainly talent business; strategic focus on consulting and solutions expansion |
| APAC            | ~6%                     | Transition from talent business to solutions continues                        |
| <b>Akkodis</b>  | <b>~6%+</b>             |   |

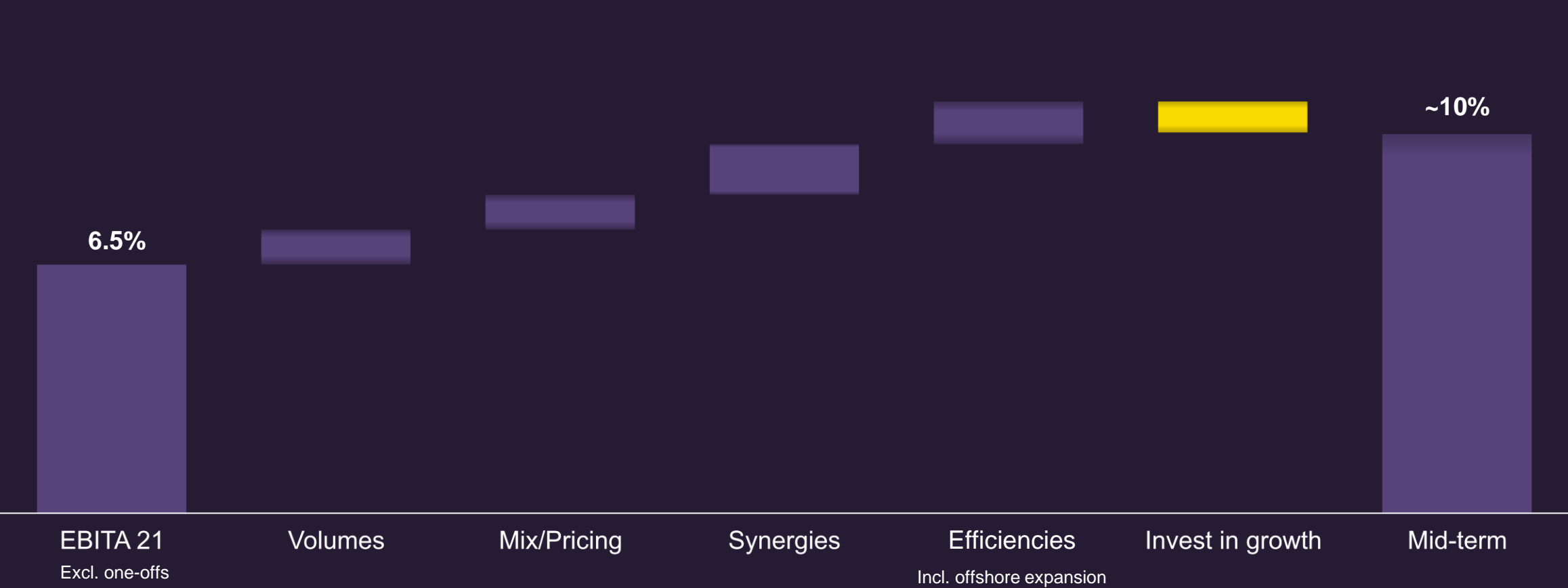
...and higher EBITA margins

|                     | 2021 pro-forma | Mid-term  |
|---------------------|----------------|---|
| <b>Gross margin</b> | <b>&gt;20%</b> |  |
| <b>EBITA margin</b> | <b>6.5%</b>    | <b>~10% target</b>  |

# Targeting mid-term EBITA margin of ~10%



EBITA bridge

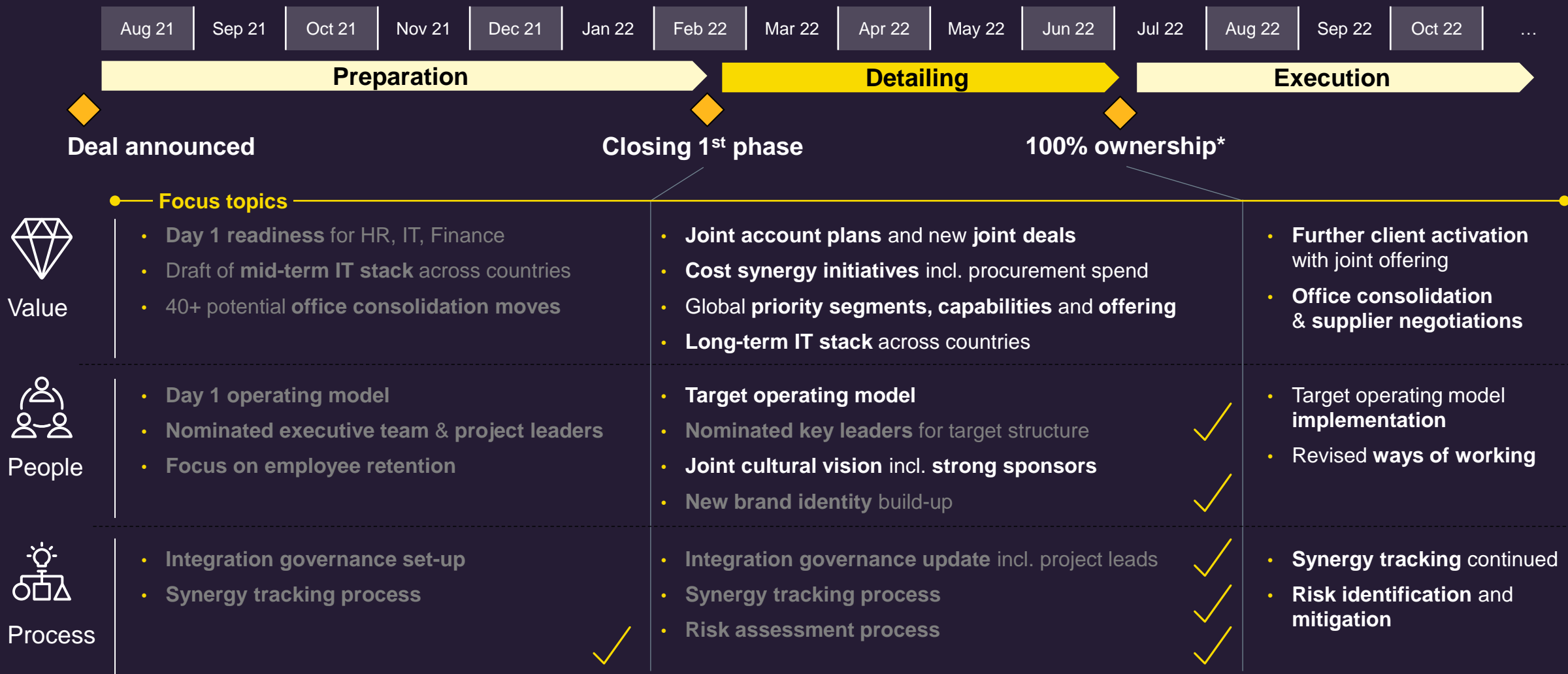




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## Akkodis – Integration status

# Achieving full operational readiness



\*Assuming successful squeeze-out following the Mandatory Tender Offer



# Realising expected synergies

## Revenue synergies



## Cost synergies



## Delivery on track

Good line of sight on €15 mn or 70% of 2022 target

Year 1 synergies weighted towards cost savings:

- **HQ synergies of €5-10 mn**, underway
- **Footprint consolidation** begun, securing **EUR ~€1 mn in year 1**, and **EUR >€4 mn by year 5**
- **Elimination of functional duplication €5-10 mn**, underway

Revenue synergies will contribute:

- **>100 cross-sell opportunities** identified to date
- First common **customer wins secured**

All synergies estimated on a recurrent run-rate, pre-tax basis, net of dis-synergies that may arise from the integration  
Adecco Group expects high-single digit EPS accretion in year 1, excluding one-time integration and implementation costs, and positive EVA in year 3



## **Customer testimonial**

**Thales, a global leader in advanced technologies**

# Building a global technology services leader, focused on high-growth Smart Industry

## Key takeaways

1 Smart Industry leader in growth market

2 Robust strategy to deliver ~10% margin

3 Integration and synergy delivery on track



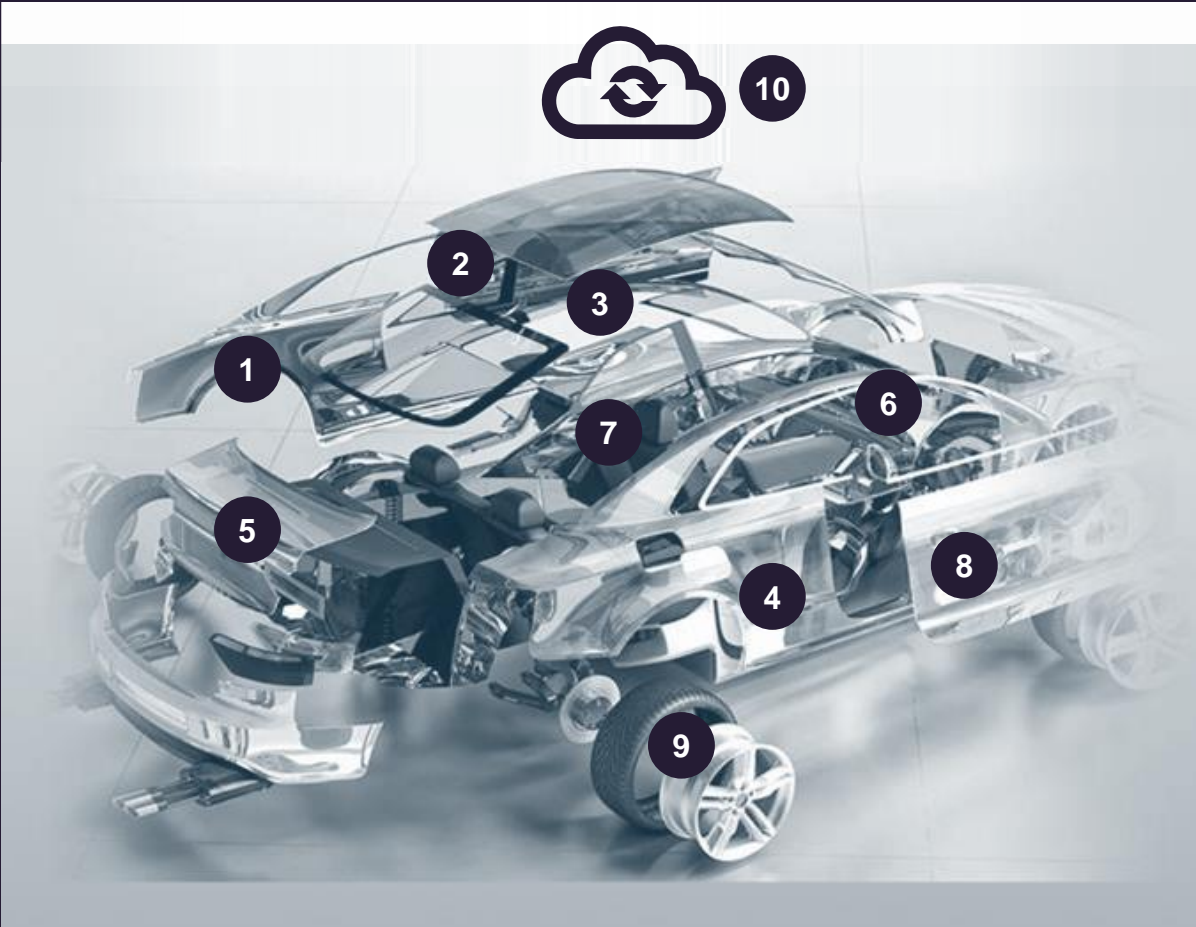


Thank you

# Capturing the whole value chain

Case study: deep traditional and future automotive expertise

- 1 **VEHICLE ARCHITECTURE**
- 2 **STYLING & DESIGN**  
Sketching, Clay-modelling, surface development, model making,...
- 3 **CHASSIS/SUSPENSION SYSTEM**  
Chassis & suspension, power steering, braking,...
- 4 **BODY & CLOSURE**  
Tank, doors & hatches, lightweight,...
- 5 **INTERIOR/EXTERIOR**  
Window lifts, seats, lighting, dashboard, A/C,...



- 6 **EMBEDDED SOFTWARE**  
Connectivity, App, Multimedia / Infotainment, Diagnosis, HMI, Security,...
- 7 **ELECTRIC/ELECTRONIC**  
ECUs, E/E Architecture, wiring harness, ADAS
- 8 **FUTURE POWERTRAIN**  
Energy management, e-Drive, hybrid, alternative powertrain systems (fuel cell),...
- 9 **CALCULATION & SIMULATION**  
NVH, passive safety, crash and flow simulation
- 10 **FUTURE VALUE POOLS**  
Enhanced data analytics and AI, car-as-a-service, fleet management,...