

# Future@Work Reloaded

7 November, London

**THE ADECCO GROUP**

Adecco AKKODIS LHH

**Capital  
Markets  
Day 2023**



# Disclaimer & note on terminology

## Forward-looking statements

Information in this release may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based on information available to the Adecco Group AG as of the date of this release, and we assume no duty to update any such forward-looking statements. The forward-looking statements in this release are not guarantees of future performance and actual results could differ materially from our current expectations. Numerous factors could cause or contribute to such differences. Factors that could affect the Company's forward-looking statements include, among other things: global GDP trends and the demand for temporary work; the impact of the global outbreak of novel coronavirus disease (COVID); changes in regulation affecting temporary work; intense competition in the markets in which the Company operates; integration of acquired companies; changes in the Company's ability to attract and retain qualified internal and external personnel or clients; the potential impact of disruptions related to IT; any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.

## Non-US GAAP measures used

'Organic growth' excludes the impact of currency, acquisitions and divestitures. This presentation refers to revenue growth yoy on an organic, trading days adjusted basis, unless otherwise stated.

This presentation refers to gross margin development yoy on an organic basis, unless otherwise stated.

'EBITA' refers to operating income before amortisation and impairment of goodwill and intangible assets. This presentation refers to EBITA, EBITA margin and yoy margin development excluding one-offs, unless otherwise stated.

'Net debt' comprises short-term and long-term debt less cash and cash equivalents and short-term investments.

'Free cash flow' comprises cash flows from operating activities less capital expenditures.

'Cash conversion' is calculated as last 4 quarters of free cash flow before interest and tax paid (FCFBIT) divided by last 4 quarters of EBITA excluding one-offs.

'Conversion ratio' is calculated as EBITA excluding one-offs divided by gross profit.

'Net debt to EBITDA' is calculated as net debt at period end divided by last 4 quarters of EBITA excluding one-offs plus depreciation.

# Agenda

## In person & webcast

<b>09.00 - 09.05</b>	Benita Barretto, Group Head of Investor Relations
<b>09.05 - 09.15</b>	Jean-Christophe Deslarzes, Chair of the Board
<b>09.15 - 09.50</b>	Denis Machuel, Chief Executive Officer
<b>09.50</b>	Break (10 minutes)
<b>10.00 - 10.40</b>	Jan Gupta, President of Akkodis
<b>10.40 - 10.55</b>	André Van der Toorn, Group SVP Finance & Integration of Akkodis
<b>10.55</b>	End of morning session
<hr/>	
<b>12.30</b>	Afternoon session opens
<b>12.30 - 13.10</b>	Gaëlle de la Fosse, President of LHH
	& Nick Goldberg, Head of EZRA
<b>13.10 - 14.10</b>	Christophe Catoir, President of Adecco
	& Geno Cutolo, Head of Adecco US
<b>14.10</b>	Break (10 minutes)
<b>14.20 - 14.50</b>	Coram Williams, Chief Financial Officer
<b>14.50 - 15.30</b>	Denis Machuel & Management Team – Q&A and Key Takeaways
<b>15.30</b>	End of session

## In person only

<b>10.55 - 11.00</b>	Akkodis Tech Roadshow briefing
<b>11.00 - 12.00</b>	Akkodis Tech Roadshow
<b>12.00 - 12.30</b>	Lunch Break (30 minutes)
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<b>15.30-16.30</b>	Get to know Management (informal meeting)





# Introduction

**Jean-Christophe Deslarzes,  
Chair of the Board**

7 November, London

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A diverse group of six smiling professionals, three men and three women, are posed in an office environment. A young woman with long brown hair, wearing a dark green t-shirt, is the central figure, looking directly at the camera with a bright smile. Behind her, slightly out of focus, are five other individuals: a man in a blue blazer, a man in a grey jacket, a woman with blonde hair and glasses, and two other women. The background is a solid dark teal color. The overall mood is positive and professional.

**Delivering expertise in talent and technology, enabling  
organizations to succeed and people to thrive**



A man with grey hair and a goatee, wearing a dark suit, is looking down at a tablet device. He has a slight smile on his face. The background is blurred, showing what appears to be an office or conference setting.

**Future@Work Reloaded**

**Better, faster execution.  
Improved financial  
performance.**

**Denis Machuel, CEO**

7 November, London

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# Global leader in talent & technology expertise

**Significant  
changes**

**in the world  
of work**

**Future@Work  
Reloaded**

**Better, faster  
execution**

**Improved  
financial  
performance**

**Take share,  
increase returns**



# Diversified portfolio, agile to changes in the world of work & aligned to most dynamic job roles

## Today's gross profit composition

**~55%**

Professional  
Talent & Technology services

**~45%**

Workforce  
Temporary Staffing

**~30%**

IT/Tech sector and  
Tech & Engineering services

**Future-  
proof  
portfolio**

## Structural market drivers



### Talent scarcity, Human centrality

Shifting skills needs, ageing  
populations, higher churn



### Digital and AI

The fastest-growing and  
declining roles are driven by  
technology and digitalization<sup>1</sup>



### Green Transition

The largest net job-creation  
will be driven by the green  
transition<sup>1</sup>



# With leading positions across large, fragmented markets

An attractive,  
expanded  
**€800+ bn**  
addressable market

**No. 1 Career Transition**

**No. 2 Flexible Placement, Outsourcing**

**No. 2 ER&D Consulting**

**Top 3 Digital Coaching**

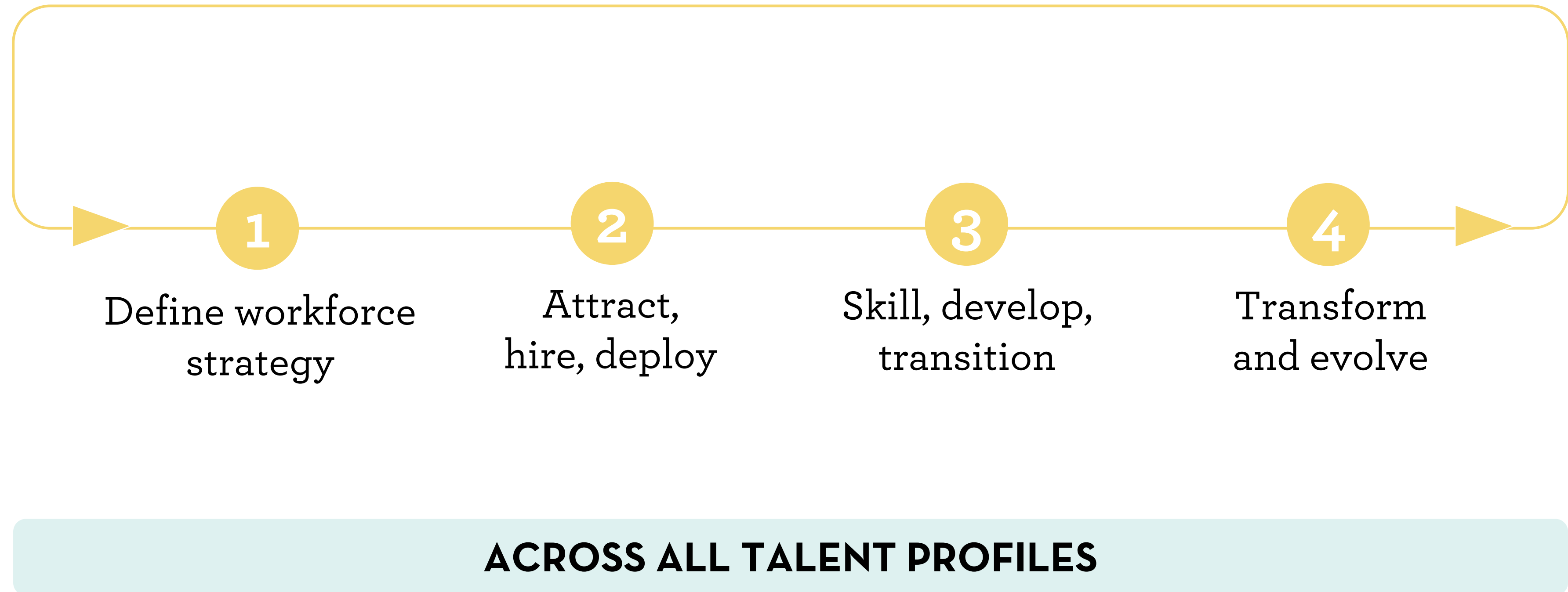
**Top 4 MSP**

**Top 5 Professional Placement**

**Substantial  
opportunity to  
take share,  
increase  
returns**

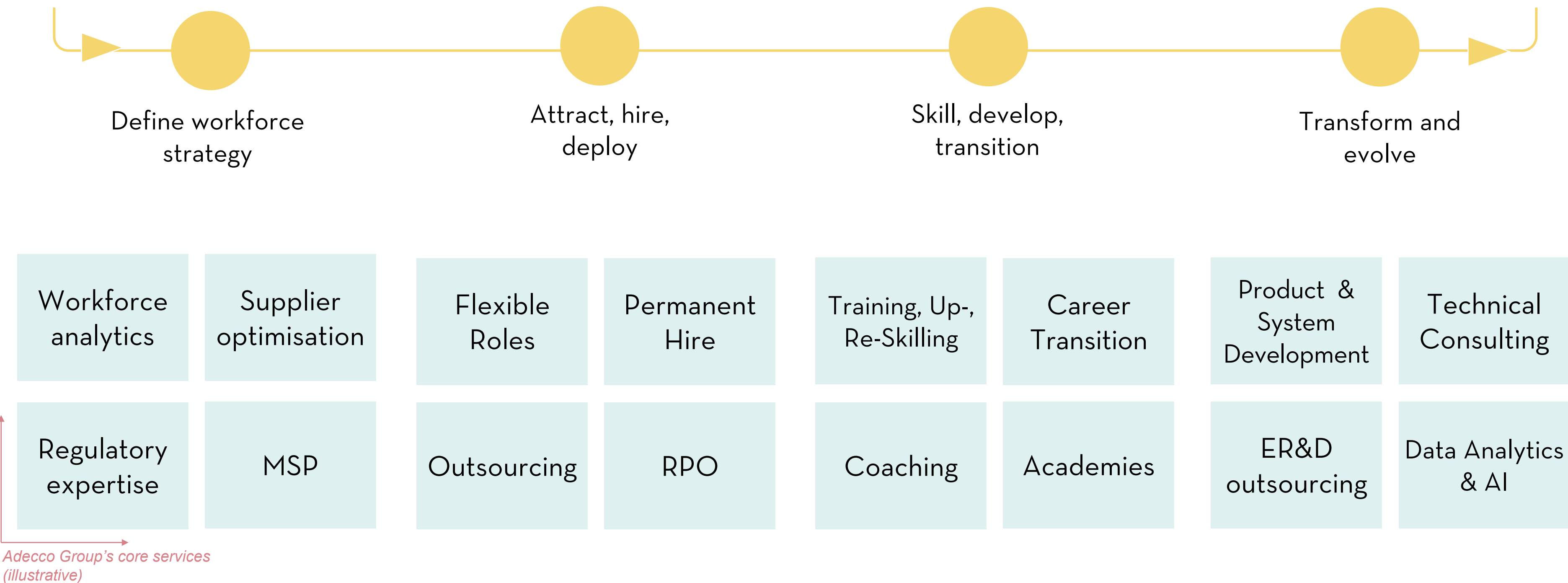


# Our customers' talent needs are multi-dimensional





# The Group's portfolio addresses all these needs, offering unrivalled breadth and depth of expertise



Adecco

LHH

AKKODiS



# Making it real: client examples



## Adecco



Significant new staffing win with scope to expand across US and globally, supporting HR with data-driven insights, regulatory expertise.

Workforce planning	Workforce analytics	Flexible Roles	Permanent Hire
Regulatory expertise	Future of work trends	Data Analytics & AI	Scale

## Adecco



Appointed Official European Supplier for staffing across 14 countries, supporting new HR strategy to expand their perm workforce.

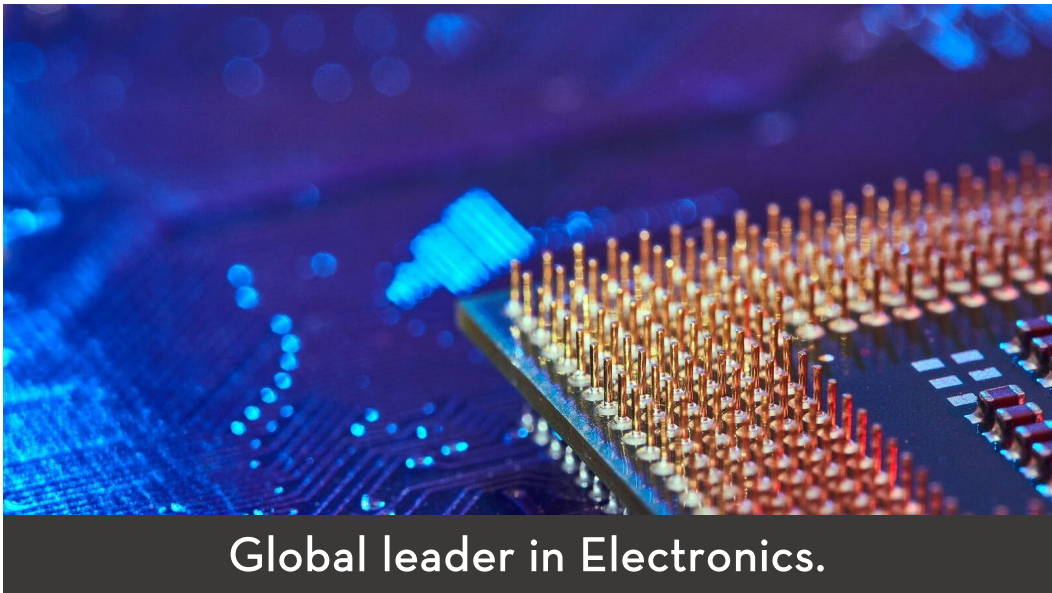
Workforce planning	Workforce analytics	Flexible Roles	Permanent Hire
Regulatory expertise	Delivery assurance	Training	Inclusion path (D&I)



# Making it real: client examples



**LHH** **AKKODIS**



Global leader in Electronics.

Deepened L&D partnership, skilling UK-based management with technical expertise to support their digital transformation.

Permanent Hire	Assessments	Technical Consulting
Workforce transformation	Coaching	Data Analytics & AI

**Adecco** **LHH** **AKKODIS**



Market-leading IT Consultancy.

Upselling from global strategic staffing supplier through custom solutions that support their growth strategy.

Permanent Hire	Academies	Technical Consulting
Outsourcing	Delivery assurance	

**Adecco** **LHH** **AKKODIS**



Smart EV Manufacturer.

Unique integrated solution and capability to serve as a strategic partner supporting their global expansion plans.

Workforce planning	Flexible Roles	Data Analytics & AI
Outsourcing	Up-skilling	Academies



# Strong momentum with Future@Work Reloaded



**Better,  
faster  
execution**



# Improve organisational effectiveness

*Right-sized organisation*

*Transformation initiatives simplified*

*G&A savings plan*

## We SIMPLIFY the way we work

### — PROGRESS —

- ✓ Duplicate roles removed in regions, countries
- ✓ Managerial headcount -5%, to date
- ✓ Strict prioritisation of change initiatives introduced
- ✓ Executing savings plans across GBUs, countries and corporate functions
- ✓ €44 mn G&A savings delivered, cumulative YTD
- ✓ Expected G&A savings run-rate €90 mn end-23

### — NEXT STEPS —

- Further cost savings actions
- Tightened procurement
- Accelerated move to Shared Service Centres



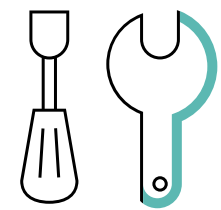
**On track to secure €150 mn p.a. G&A cost savings**



# Case study: streamlining reporting to improve effectiveness

Reporting review, France

## Original findings



84

**Management reporting tools**



24

**reports** sent by support functions on weekly or monthly basis

85%

of reports able to be **self-generated**

## Simplification actions

Successful pilot using **3** tools only

**10** reports discontinued, immediately

**6** more under review

Establishing training to implement new practices, promote “self-service”

**+30 bps** engagement score to 7.6



# Empower decision-making closest to customers

## *Rigorous Performance Management*

## *Adjusted operating model, empowerment & accountability*

## *Developing our people*

## We EXECUTE better

### — PROGRESS —

- ✓ Ian Lee appointed to EC as President, Geographic Regions, to ensure local perspectives are represented
- ✓ Local empowerment within guardrails reinforced
- ✓ Standardised operational KPIs introduced
- ✓ Caroline Basyn appointed to EC as CDIO
- ✓ CEO-led “Spark AI” initiative for GenAI; Microsoft MOU
- ✓ GenAI pilots at local and Group level; ~70% focused on operational efficiency
- ✓ Daniela Seabrook appointed to EC as CHRO
- ✓ Group-wide Values, Culture refresh underway

### — NEXT STEPS —

- Reinforce delivery discipline, improve systems and processes across operations
- New Tech Roadmap Q1 24
- Values, Culture and expected Behaviours finalised Q4 23



# Top-line leading to EBITA profitability

*Aligned incentive plans*

*Enhanced “Sales Mindset”*

*Customer retention focus*

*Fully leveraging assets within portfolio*

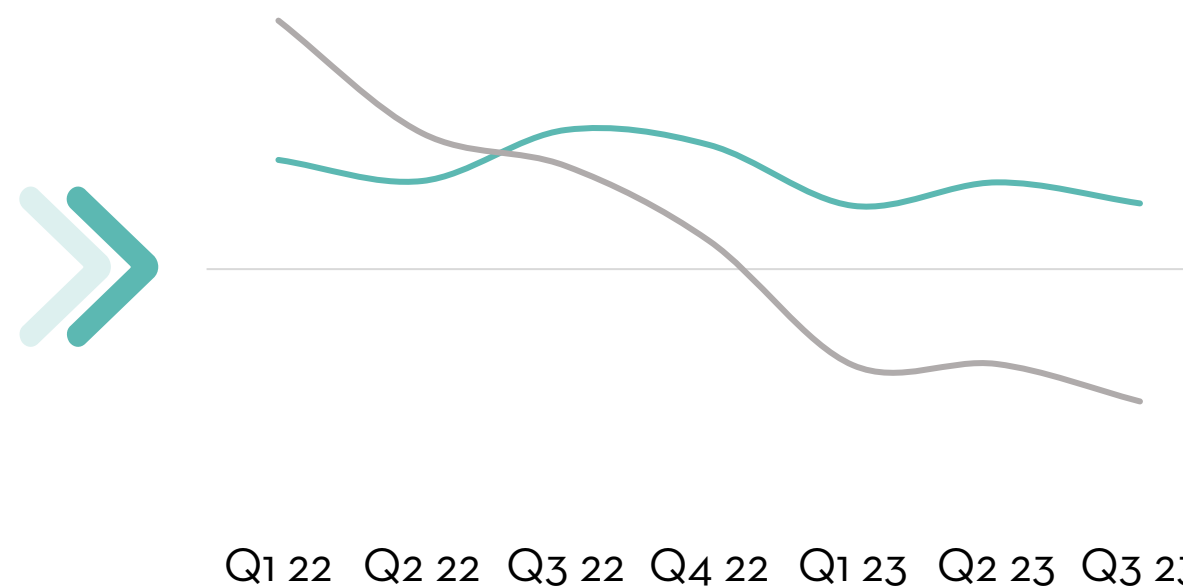
## We prioritise ways to GROW market share

### PROGRESS

- Incentive plans adjusted to drive growth, KPIs streamlined to 4
- “Sales Mindset” through improved customer focus e.g. Adecco sales intensity +20%, visits to prospects +35% yoy
- EZRA, LHH coaching combined; EZRA revenues +37% yoy YTD
- MSP go-to-market model operational across GBUs, Pontoon

### NEXT STEPS

- Drive sales focus on contract conversion, customer retention & satisfaction
- Continue scaling of digital with traditional assets to improve customer satisfaction
- Deploy QAPA in Adecco US
- Expansion of MSP, scale RPO



**5 consecutive quarters of Adecco Group growing ahead of market**



# Delivering improved execution and market leadership, across all GBUs

**Adecco**

**Market share gains,  
in all regions**

**+930 bps relative growth in Q3**

Productivity at 2021 levels in Q3

G&A -7% yoy in Q3

US turnaround progressed

Double-digit growth in QAPA

**AKKODIS**

**AKKA integration  
well advanced**

**€59 mn synergies secured for  
2023, above target**

Strong growth in Consulting

Off-shore expanded

Agile management of Staffing

**LHH**

**Integrated LHH roadmap  
delivering synergies**

**8% EBITA margin in Q3**

Improving operational discipline in  
Recruitment Solutions

Career Transition extends market leadership

Expanded EZRA digital coaching



# Enhancing Group top-line synergies

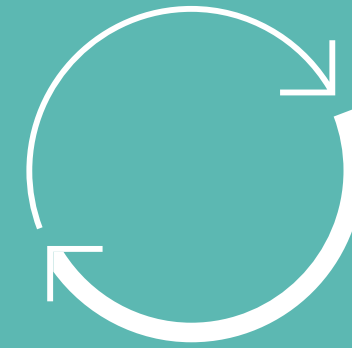


## MSP business

Expansion across GBUs and Pontoon

### Promising leading indicators<sup>1</sup>

- Revenue pipeline +22% yoy
- GBU distribution +14% yoy
- GBU fulfilment +17% yoy



## Cross-GBU solutions

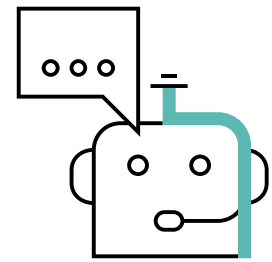
Strategic engagement & cross-sell opportunities

### Solid delivery<sup>2</sup>

- 98% retention of large clients when all 3 GBUs engaged
- Incentives in place to drive cross-selling
- Global client revenues +6% yoy
- 40% of global clients increasing spend in Akkodis yoy



# Providing state-of-the-art digital experiences to customers



## Scaling digital products

AI-enabled Apps

Proprietary digital products

### Candidate Compass

Proactively engages candidates on current & future roles

- >13 mn candidates
- Live in France, Italy
- +500 bps conversion rate
- 200+ algorithm features



## Disrupting markets

Digital Ventures

In-house created offer

### LHH EZRA

Market-leading digital coaching services

- Revenues +37% yoy YTD
- Expanded to 3 core offerings, targeting different audiences
- 4.9 out of 5 user satisfaction score after ~400k sessions



## Accelerating adoption of AI

Partnerships with leading vendors

GenAI collaboration



### Career platform (launch Q1 2024)

Help people navigate career shifts driven by the introduction of GenAI at work

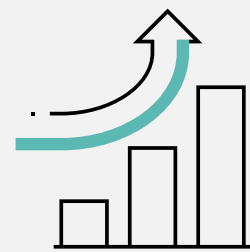
- Highly personalised experience
- Offering coaching, micro-learning, upskilling, career advice, job opportunities



# Delivering better, faster execution and improving financial performance



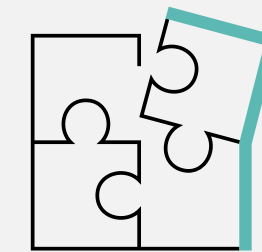
Diversified portfolio, agile to changes in the world of work



Substantial opportunity to take share, increase returns



Strong delivery against Simplify, Execute, Grow plan



Strengthened GBUs. Improved cross-GBU collaboration



Responding at pace to leverage latest technologies