

# Strategy update

**Jan Gupta**  
President of Akkodis

7 November, London

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Day 2023**



# What has happened so far?

## **BUILD phase** **2022-2023**

**AKKA** and **Modis** combined  
Feb 22, creating **Akkodis**

**Integration** well-advanced

Overdelivered versus  
year 1-2 **synergy targets**

Increased **utilisation rates**

Expand Digital Practices,  
i.e. in **Germany**

**Agile management**  
of tech staffing downturn



**Business  
strengthened by  
AKKA/Modis  
combination**



**Who we are,  
What we do,  
How we create value**

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# Delivering expertise in technology & digital engineering

**AKKA**

A leading engineering and technology consulting player



**modis**

A technology IT consulting and talent services player

**Differentiated Offering**

**Rich in Talent**

**Well Diversified**

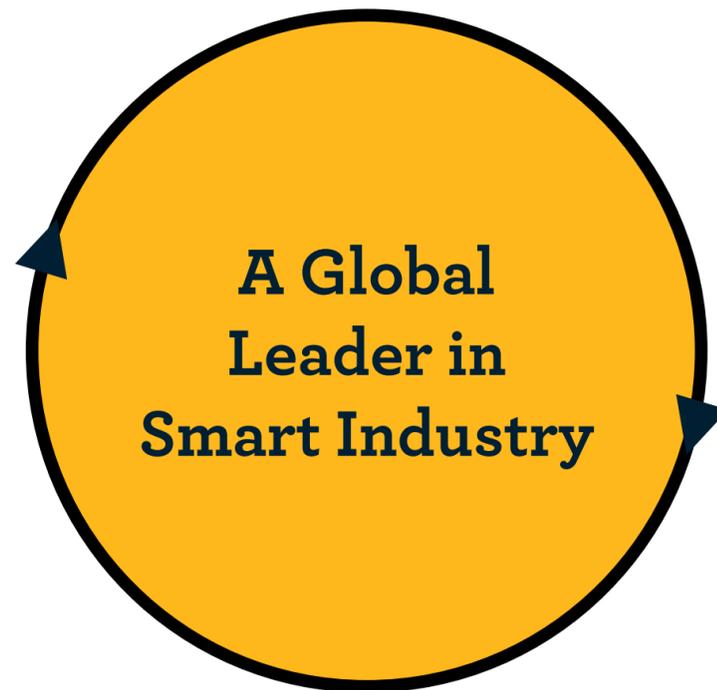
**Clear Ambition**

# The Group's specialist technology & digital engineering business

**AKKODiS**



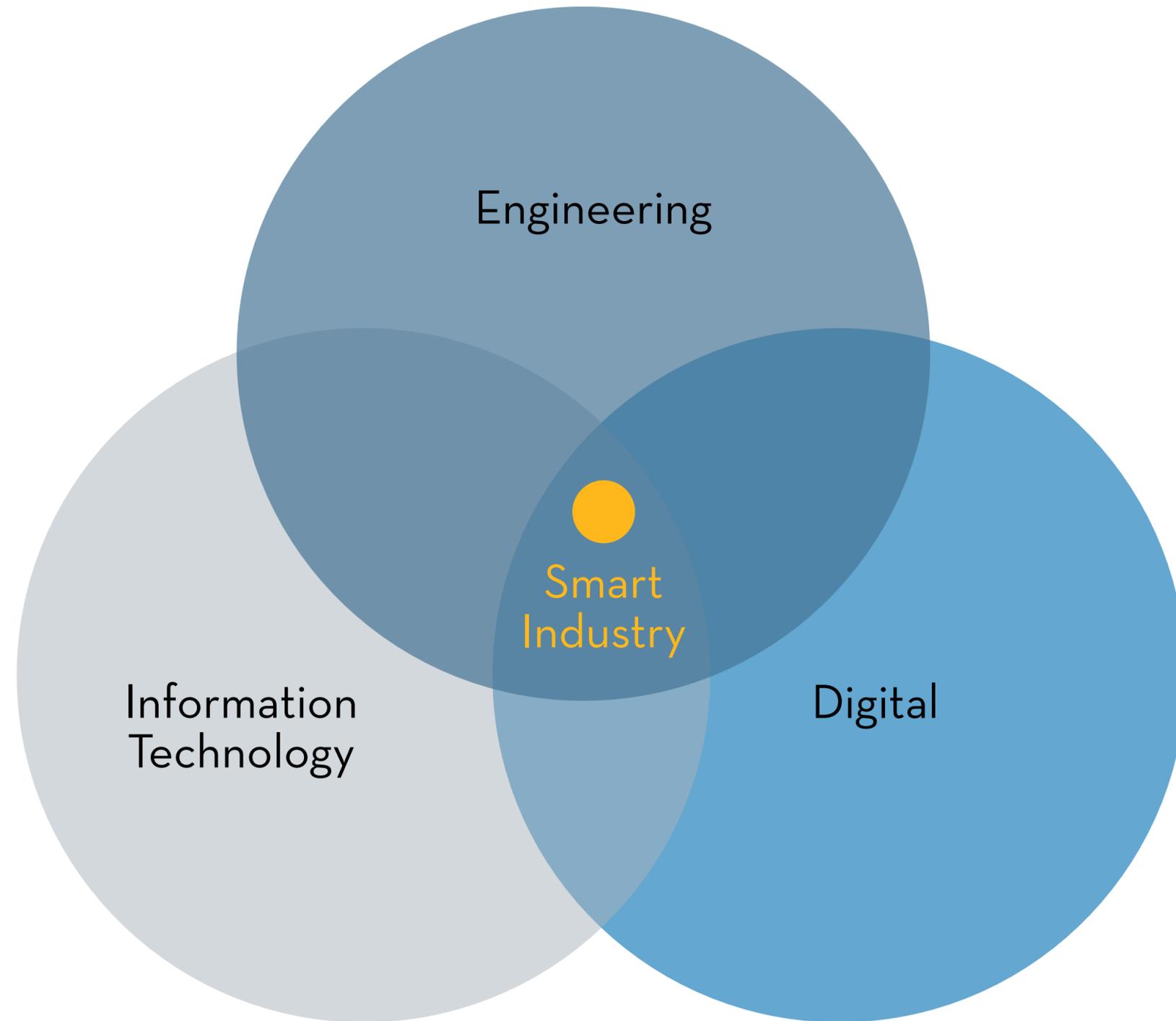
THE ADECCO GROUP



## **Creating Value**

- Supporting Group's clients in their transformation in a digital world
- Specialised in most dynamic talent market: technology & digital engineering
- Strong contributor to synergies across the Group

# What does it mean – Smart Industry?



# By your side, every day...



## Engineering a Smarter Future Together



# Creating value for clients across multiple levels

Value-add



## Consulting & Solutions

65% of revenues  
8-12% EBITA margin  
50,000 engineers and digital experts  
ER&D and IT end-to-end solutions



## Talent Services

35% of revenues  
4-6% EBITA margin  
+5 mn pre-qualified tech specialists  
Professional staffing, Global Recruitment

## Concrete client value



Accelerated time-to-market



Unique digital expertise

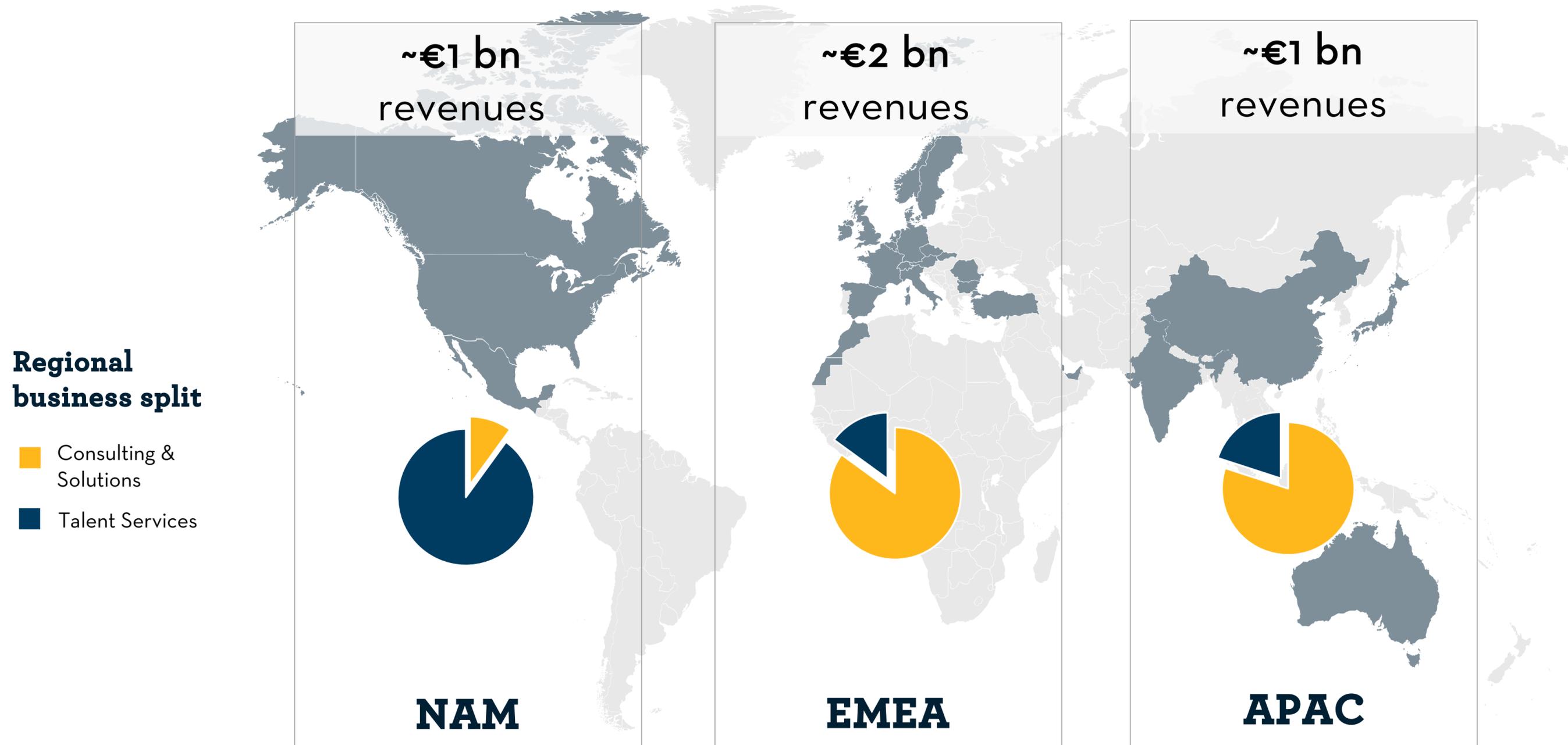


Highest flexibility

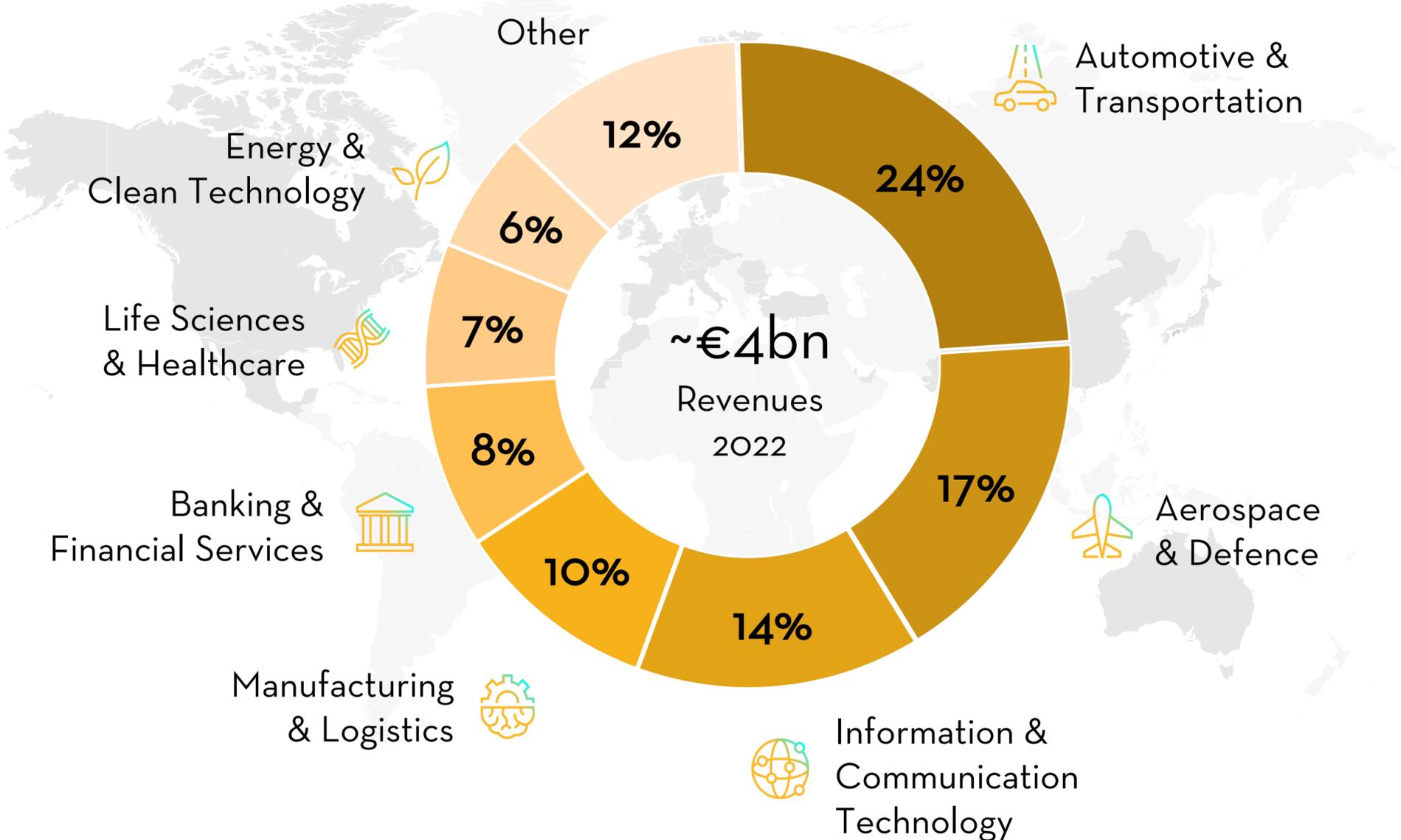


Increased productivity

# Akkodis offers clients a global footprint



# And deep domain expertise across multiple industries



# As evidenced by recent global deals



## CAD<sup>1)</sup> Factory

- Managed Engineering Services across all brands of a major **European Car Manufacturer**
- Access to the client gained via former **Modis network**
- Trust from the client by leveraging former **Akka engineering expertise**



## Digital Hub

- Building a Digital Hub for a major **European Telecoms Operator** to support its IT Strategy
- Cross-country collaboration with former **Modis digital competencies**
- Sold to a former **Akka client**, supported by the **Adecco Group** providing facilities

# Driving growth

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# Akkodis is well-positioned

**Providing solutions tackling megatrends shaping our fast-growing market**

1. Industry softwarisation
2. Green transition
3. Digital talent race
4. Tech outsourcing
5. Artificial Intelligence

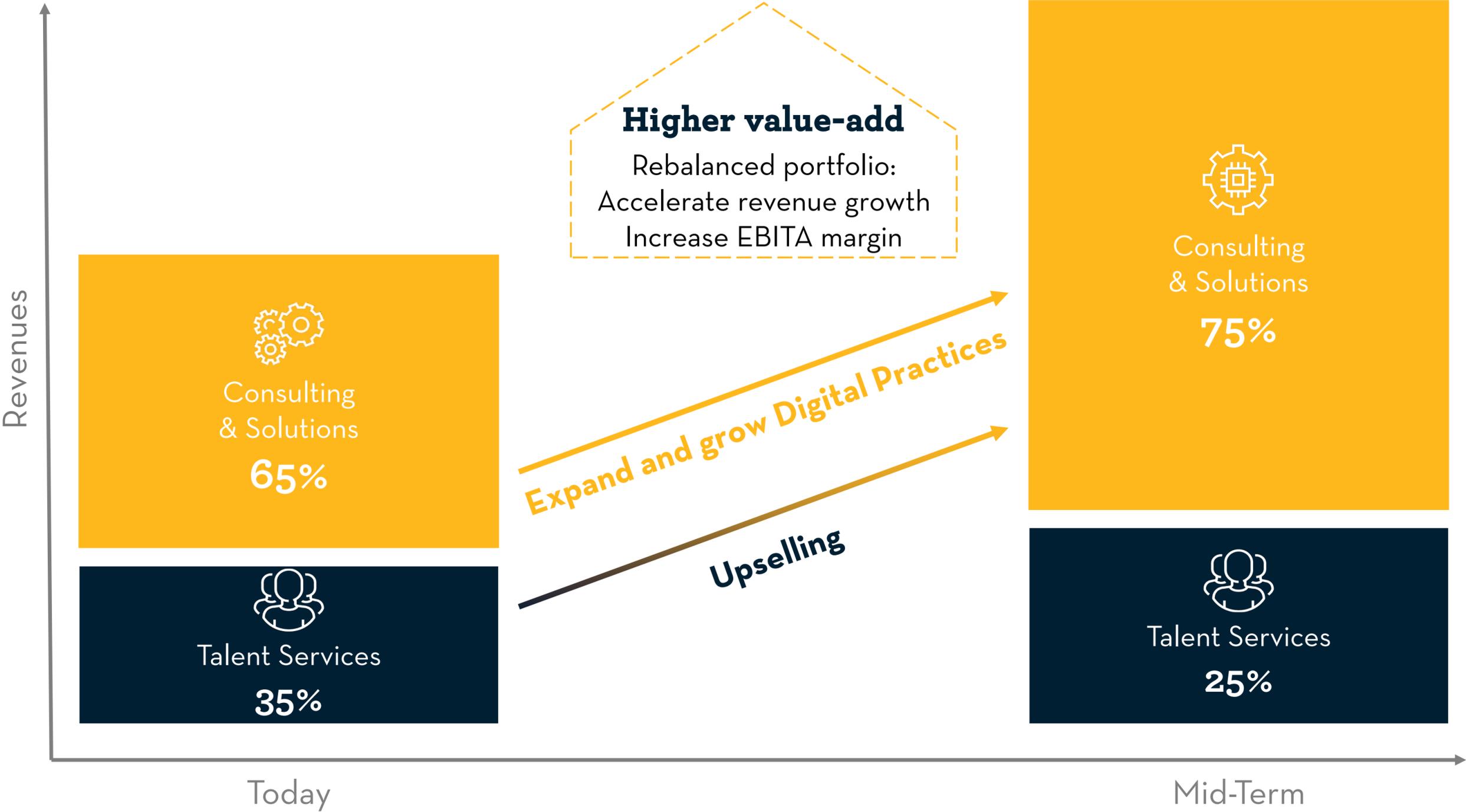
**Market growth opportunity to accelerate toward digital-centric tech consulting**

Addressable Outsourced ER&D market<sup>1</sup>

**€100 bn**

**YoY ▲ 10-12%**

# Driving profitable growth



# Case study: Upselling Talent to Consulting & Solutions



Fleet management solution for trucks in North America

## Tech Solution

Application development and support

Cloud & IoT application, using AI for predictive maintenance, supported by near- and offshore delivery

3 years, \$\$\$



## Managed Capacity

Manage teams and timelines

9 months, \$\$



## Traditional Talent Services

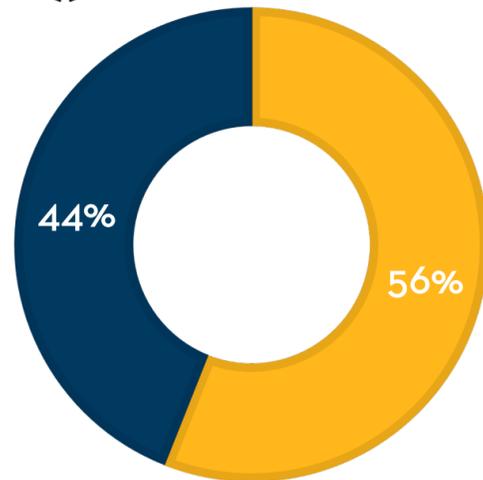
Placements  
3 months, \$



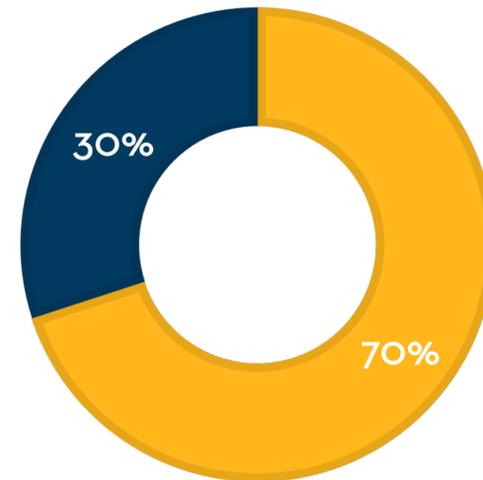
# Expansion towards Digital Practices

Accelerating profitable growth by expanding Digital Practices

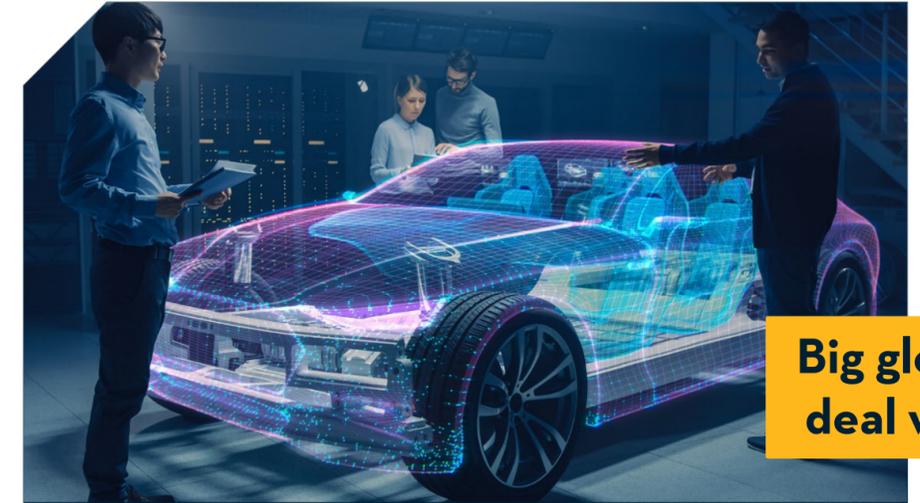
 Today



 Mid-Term



 Traditional Practices  Digital Practices



**Big global deal won**

## “Connected Cockpit”

From engine & transmission focus to smart cars & connected cockpits.

### Key technologies:

- Cloud & Connectivity
- IoT
- Cybersecurity
- UI/UX design

# Case study: Akkodis Germany

**2022**

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**Traditional Practices**

**Onshore delivery**

**Low project margins**

**Limited growth**

**Today**

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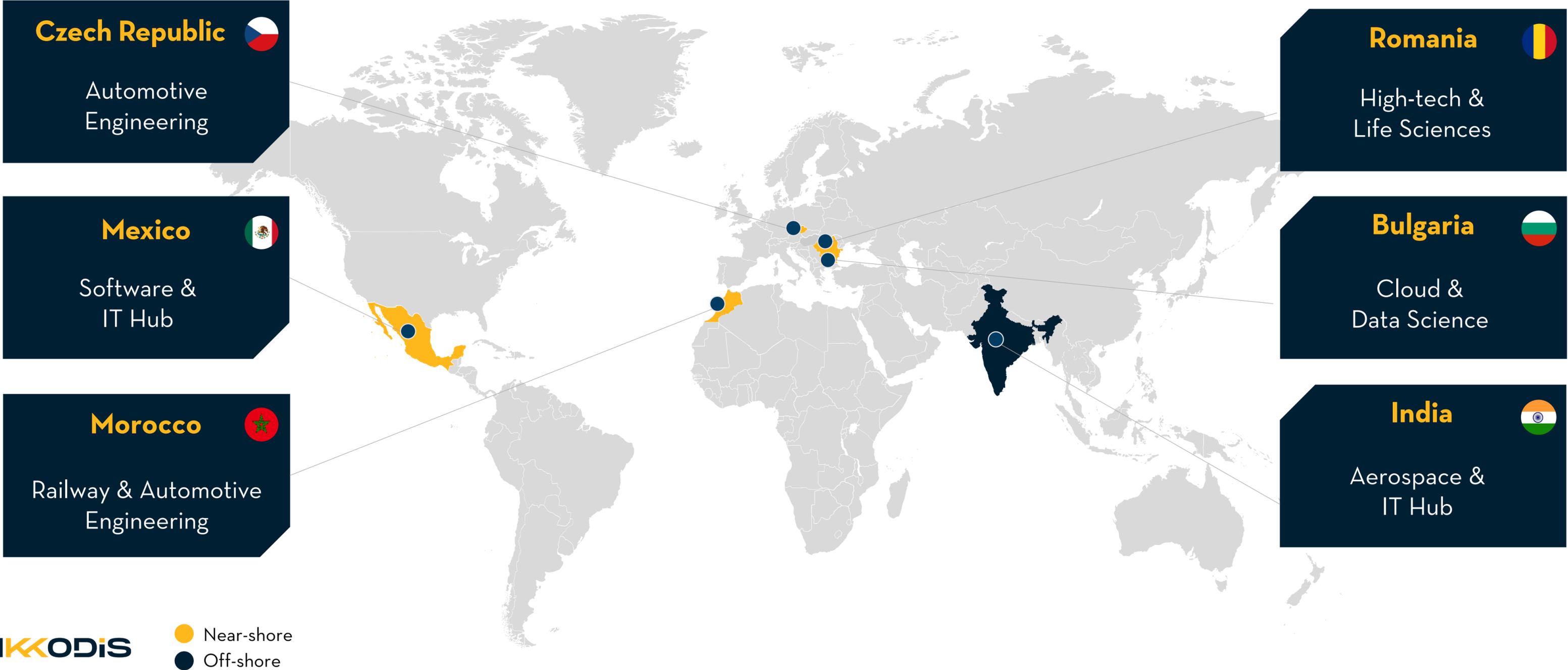
**Technology portfolio focus changed**, with phase out of inefficient, commoditised business

Growing **Digital Practices** by upskilling FTEs and reducing >200 FTEs & 18 locations

**Ramp up of off-shore capabilities** in India, focused on engineering skill sets

Improved margin by **>200 bps YTD**

# Underpinned by a substantial increase in near/off-shore delivery



# Why do we win?

**1.**

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## **Global reach**

- New leader with strong global footprint
- Access to Adecco & LHH client base and C-suite
- Significant capability to source and skill talent

**2.**

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## **Strong credentials**

- Established domain expertise in multiple sectors
- Complementary skill sets (IT, Digital and Engineering)
- Cutting-edge Digital Practices in Data Analytics & AI

**3.**

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## **Scale & flexibility**

- Scale quickly due to size of consultant base
- +5 mn pre-qualified tech specialists
- Growing capability to deliver from near- and off-shore

# Concrete actions to accelerate

## BUILD phase 2022-2023

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Integration well-advanced

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Increased utilisation rates

Expand Digital Practices,  
i.e. in Germany

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of tech staffing downturn

## ACCELERATE 2024-2025

Increased sales intensity

Balanced industry diversification

Expand Digital Practices

Upsell from Talent to Consulting

Grow off-shore delivery

# Scaling up to win

# Delivering value through strong execution



**André van der Toorn**

Group SVP Finance & Integration Akkodis

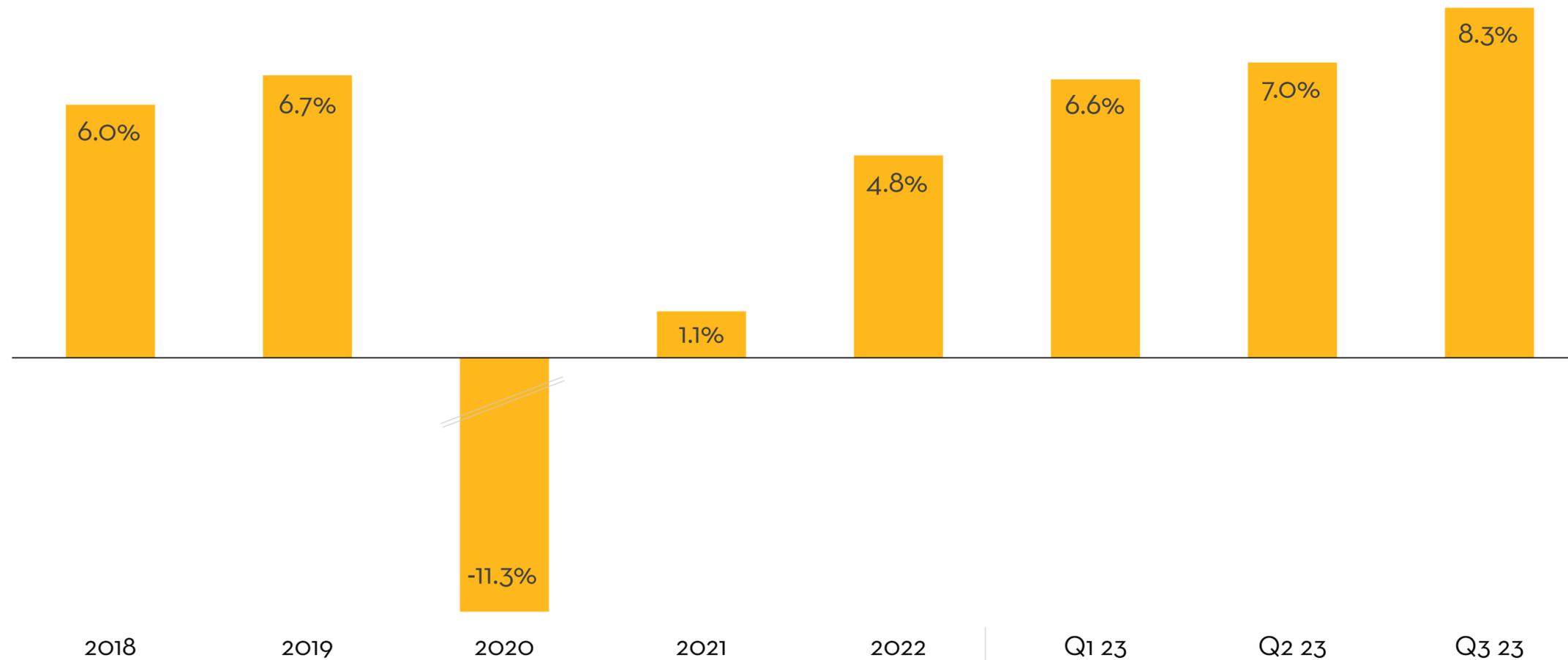
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# Realising value from the AKKA transaction

## EMEA Consulting & Solutions, EBITA margin development AKKA perimeter pre-2022 / Akkodis 2022 onwards



**On-track to deliver value creation**

Mid to high single-digit EPS accretion in year 1

Double-digit EPS accretion in year 2

EVA positive in year 3

# Q3 2023 development

## EMEA

56% of revenues

**Revenues +4% yoy, AKKA integration well advanced**

Consulting revenues +5% yoy

## APAC

19% of revenues

**Revenues +4% yoy; investments in growth, talent downturn weigh**

Consulting revenues +11% yoy

## North America

25% of revenues

**Revenues -16% yoy, talent services weighed by sharp talent downturn**

Solid performance in tough market,  
Consulting revenues +24% yoy

# Deep dive - North America

## Performance in line with market

- **Strong growth in US Consulting**  
+24% yoy in Q3, driving service-line mix margin improvement
- **Strong Consulting “bookings”**  
€265 mn to date, as strong foundation for 2024
- **US Talent Services weighed by tech downturn,**  
-18% yoy in Q3, performance in line with tough market
- **Strong delivery of revenue synergies**  
Growth in Consulting partly mitigating margin impact

## Consulting & Solutions

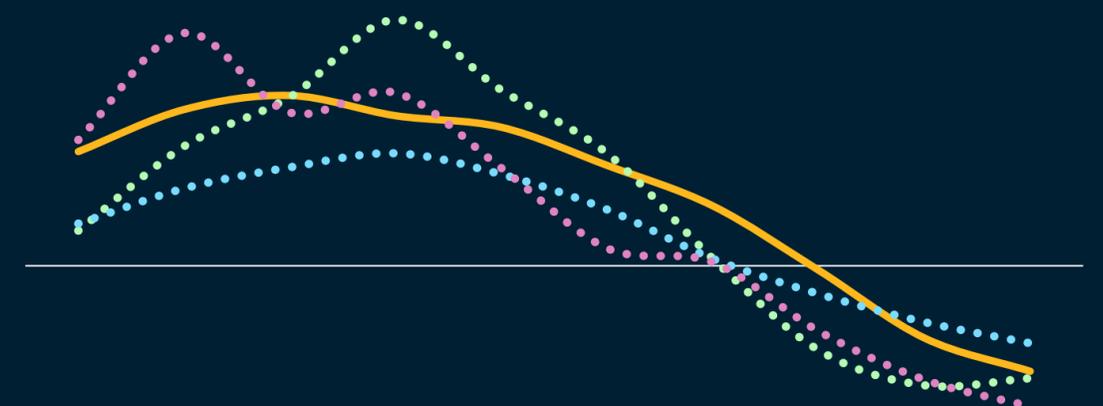
Revenues (EUR mn)



Q1 22 Q2 22 Q3 22 Q4 22 Q1 23 Q2 23 Q3 23

## Tech Talent Services

Revenue growth (% yoy)

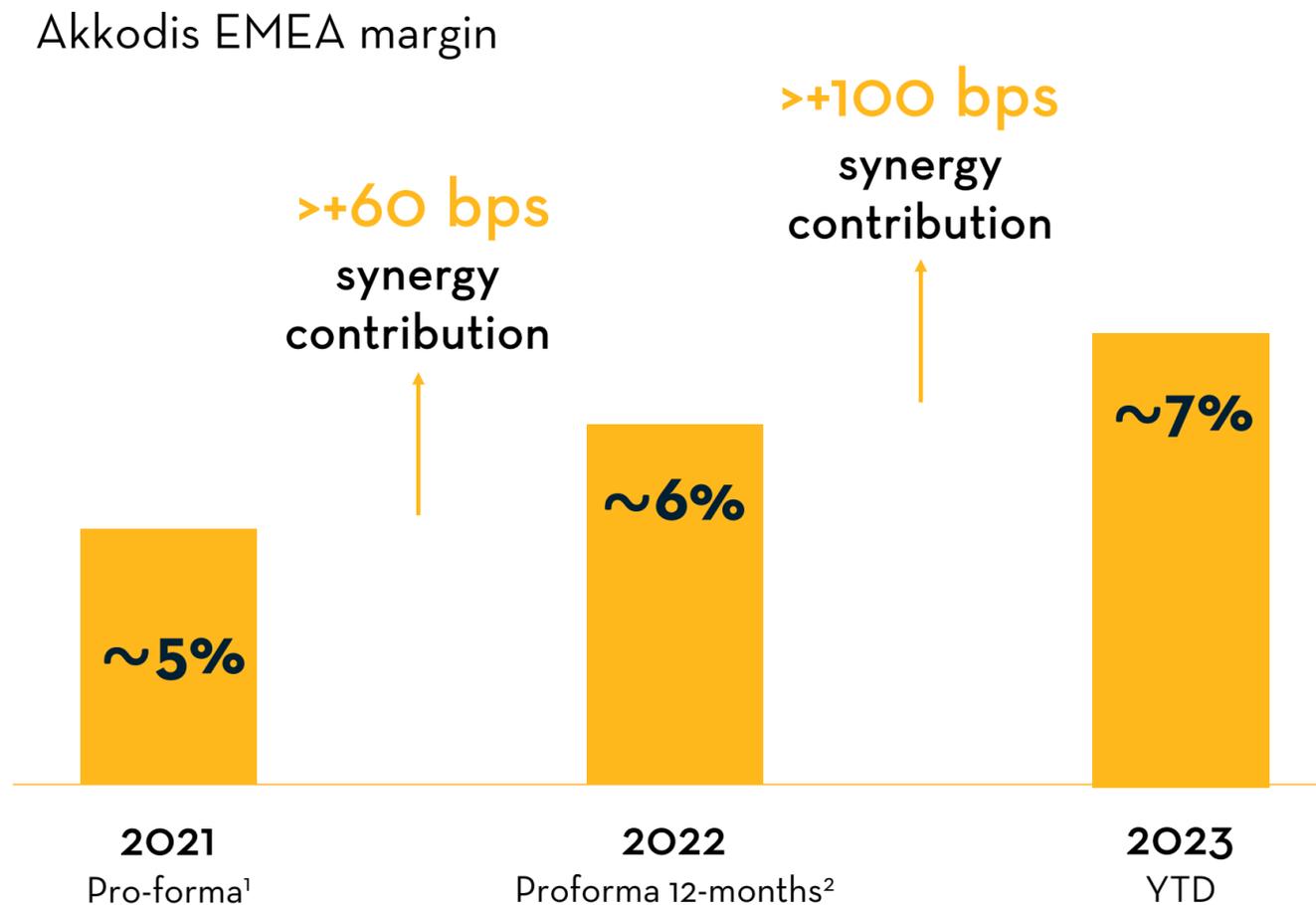


Q2 21 Q3 21 Q4 21 Q1 22 Q2 22 Q3 22 Q4 22 Q1 23 Q2 23 Q3 23

— Akkodis US    ••••• Competitor A    ••••• Competitor B    ••••• Competitor C

# Deep dive – EMEA

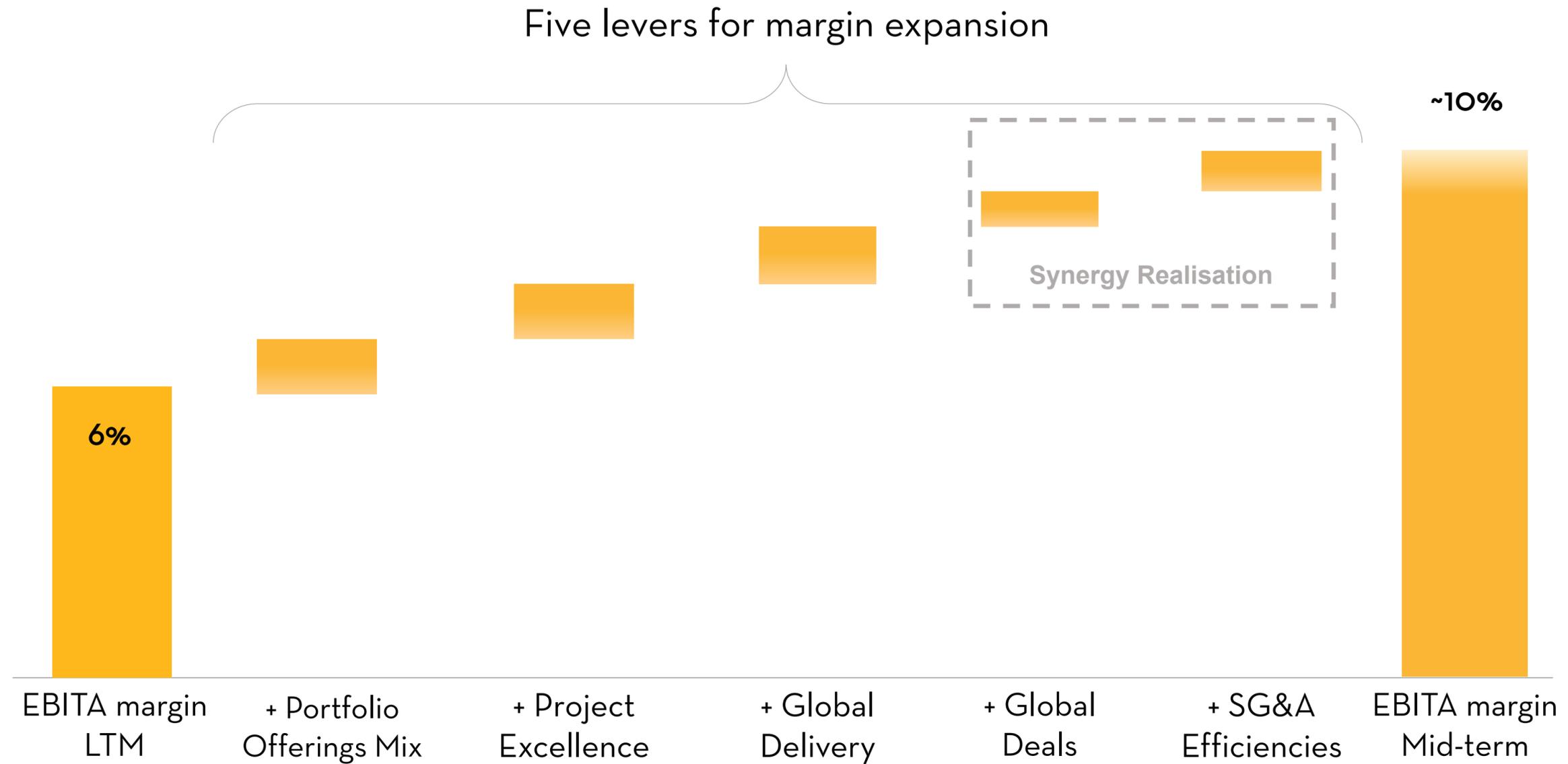
## Strategic and financial rationale for AKKA confirmed



Integration of AKKA well advanced, synergy achievement ahead of plan

- **Strong synergy delivery**, €59 mn secured for 2023
- **Overachievement of cost synergies**
  - HQ synergies implemented, sustainable run-rate impact
  - All regions with solid achievement or overachievement
- **Revenue synergies** in line with plan
- **Integration costs** in line vs. original guidance ~€120 mn

# Moving to the high-end of Akkodis' target margin corridor



# Key takeaways



Aligned to significant market opportunity



Executing on a clear plan to drive profitable growth



Able to win in our chosen markets with strong credentials



Delivering promised value creation from AKKA



Improving financial performance, year-by-year

# Tech Roadshow

Live Demos

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# Introduction of our Tech Roadshow

## **Life Sciences & Healthcare**

### **Demo**

Human 2.0 Simulation based learning

### **Presenter**

Isabelle Stewart (BE)

## **Aerospace & Defence**

### **Demo**

Data-driven engineering in Aerospace

### **Presenter**

Erwan Tallec (FR)

## **Automotive & Transportation**

### **Demo**

Smart Energy Battery Concept

### **Presenter**

Peter Mehrle (DE)

## **Artificial Intelligence**

### **Demo**

AI agent-powered product development

### **Presenter**

Josh Morley (AU)

## **Engineering a Smarter Future Together**

# Tech Roadshow - Logistics

