

Strategy update

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President of Adecco

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Adecco

**Capital
Markets
Day 2023**

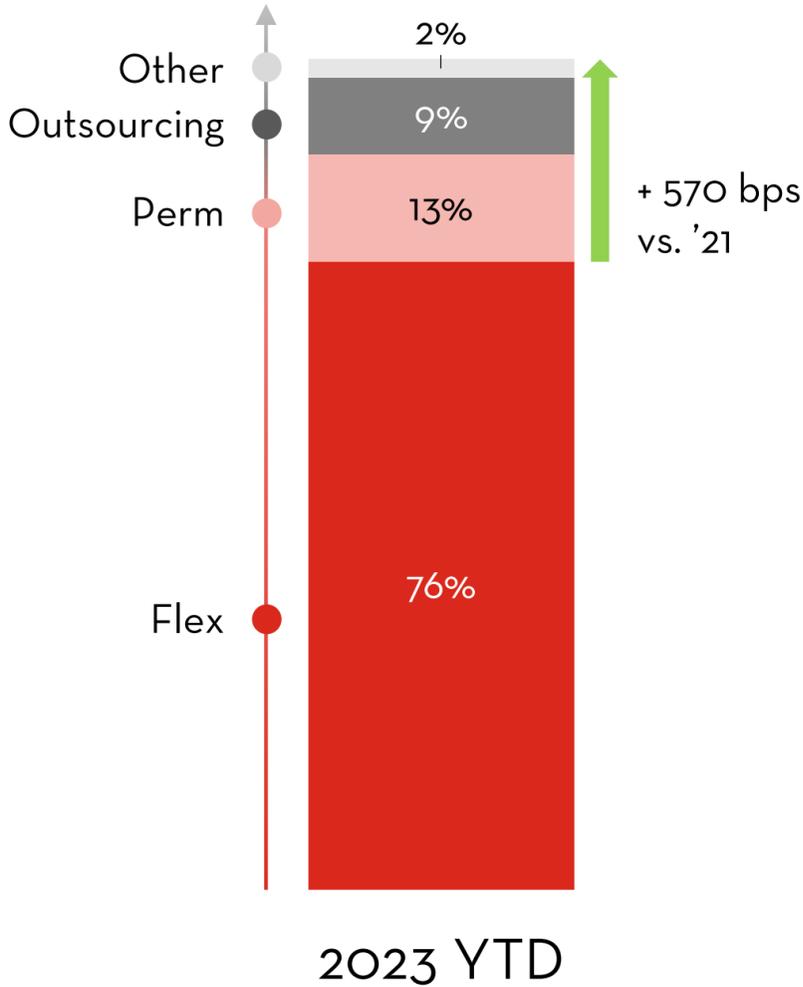


Adecco today

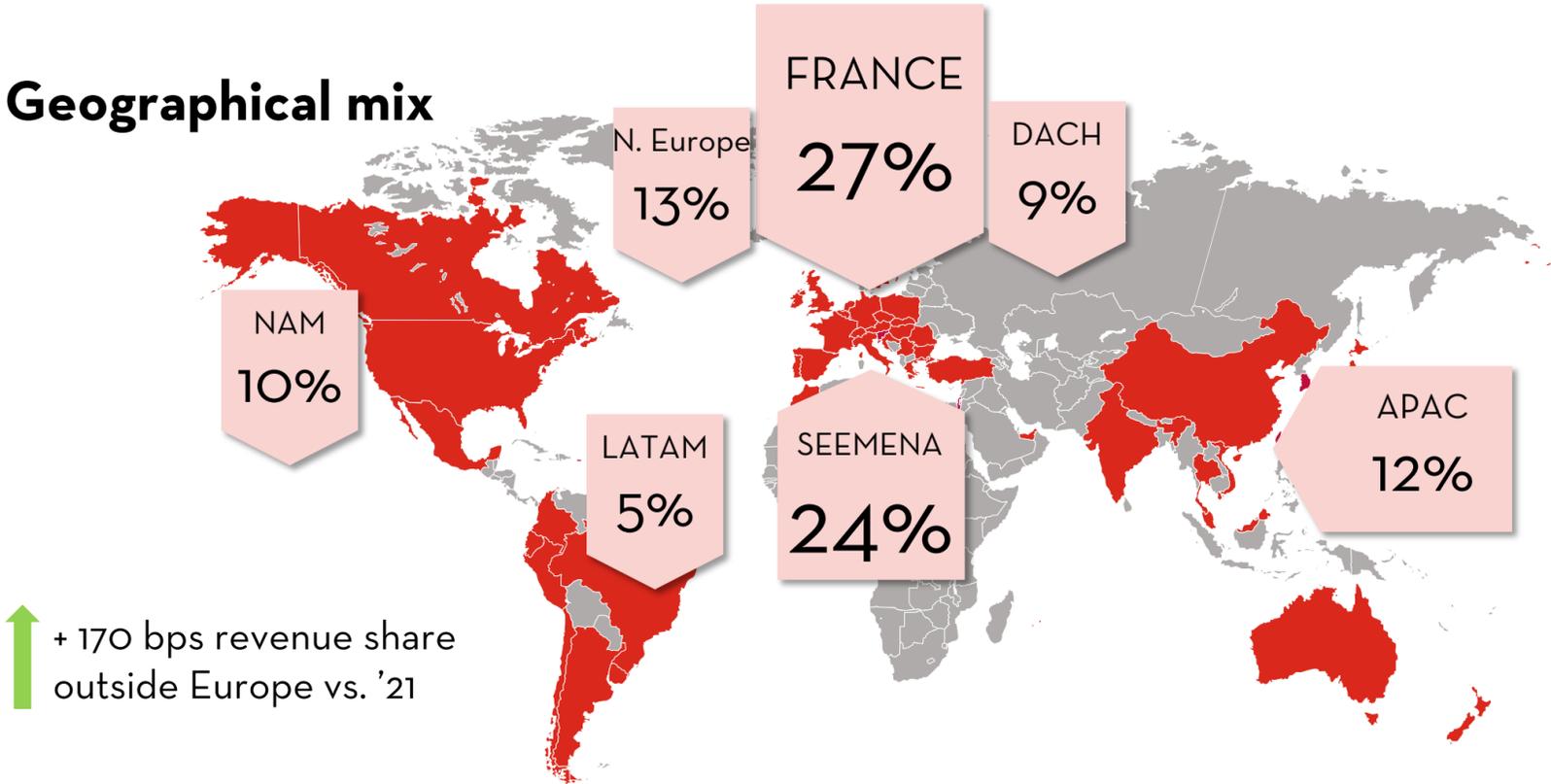
#2 player in workforce staffing globally

Adecco Solutions

Gross profit contribution



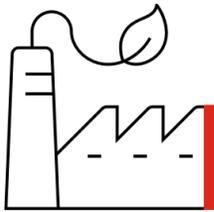
Geographical mix



Channel mix



Branch



On-site



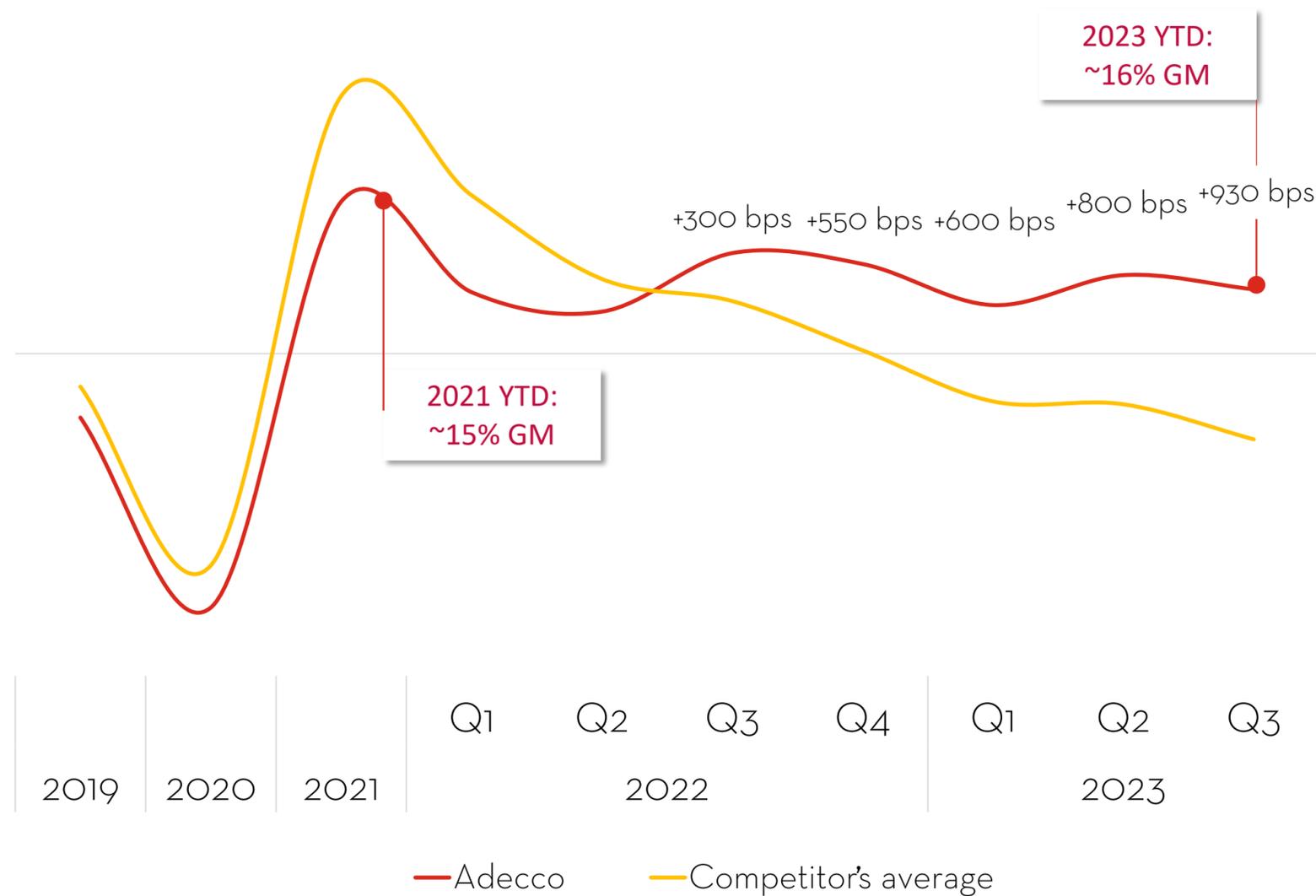
Career Centre



Digital

Delivering strong returns from recent investments

Revenue growth Adecco vs. Competitors



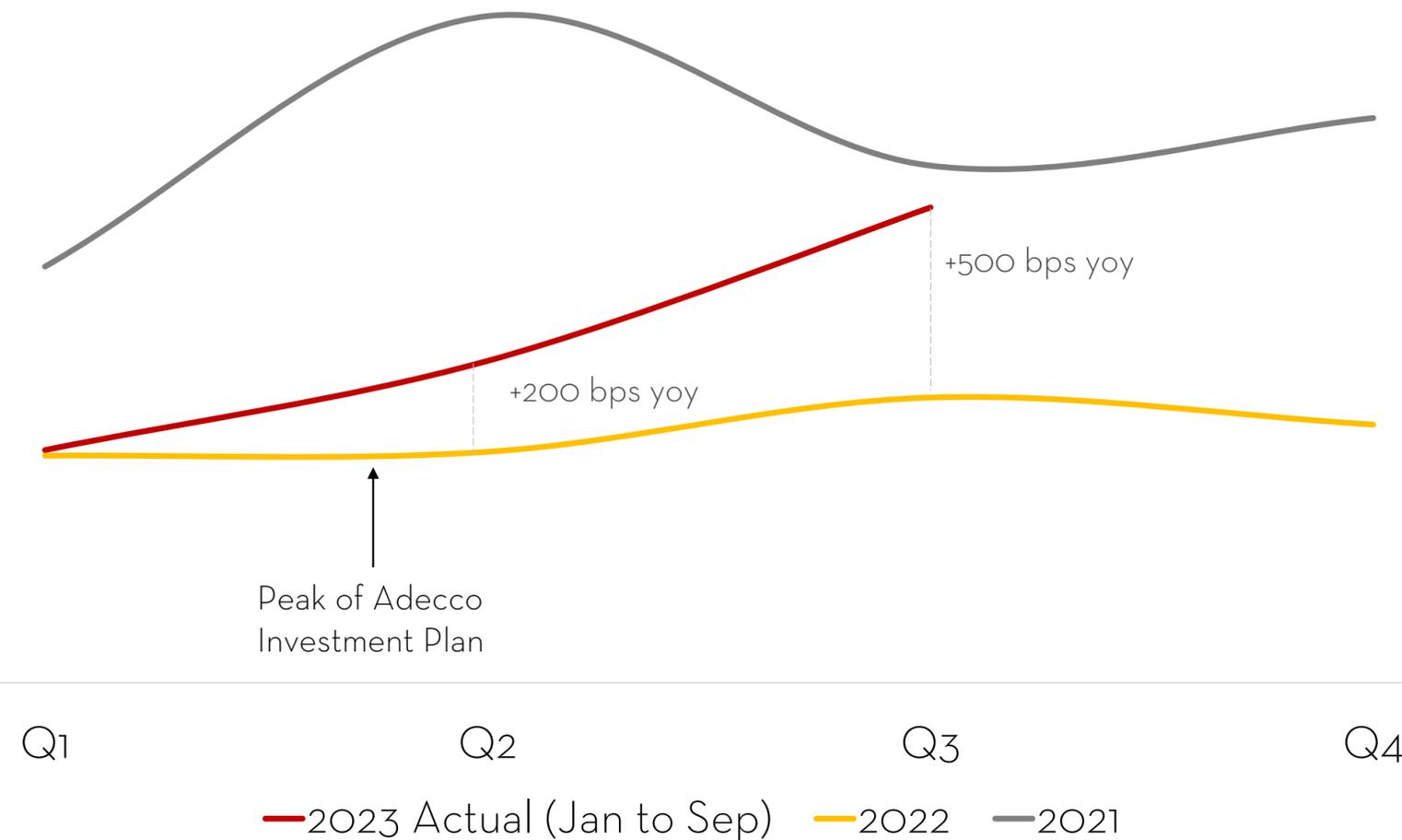
5 consecutive quarters outperforming competition

+930 bps ahead of competition in Q3 23

Slightly **higher gross margin** compared to 2021

Improving productivity with ambition to achieve higher levels of efficiency

Gross profit / Selling FTE



+5% Gross profit / Selling FTE, Q3 23 yoy **above 2022 & 2021 levels**

Gross profit / FTE in Q3 23 **above 2021 & 2019 levels**

While increasing resilience through effective cost management

Savings contribution

Key levers

~50%

Removing span and layers across all functions, countries & regions

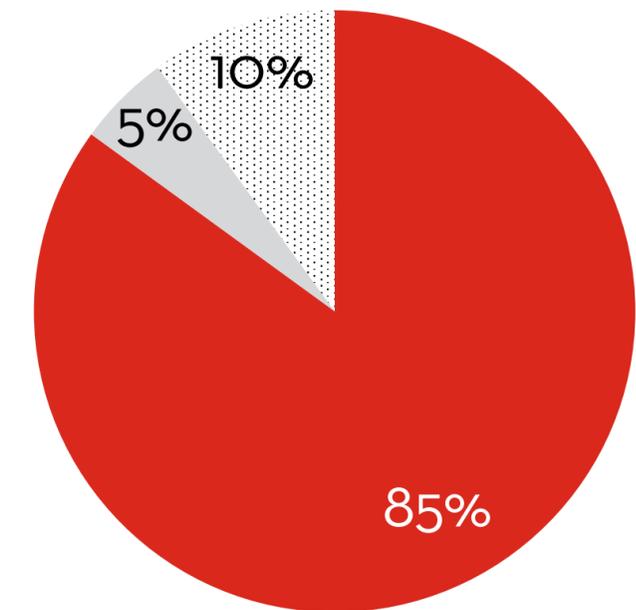
~25%

Simplifying processes by leveraging shared service centres, streamlining governance

~25%

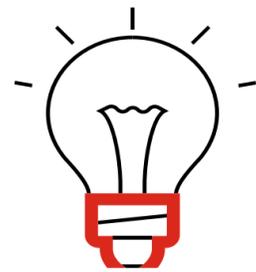
Optimising procurement and real estate spend (>60 projects)

90% of targeted savings secured or in-flight

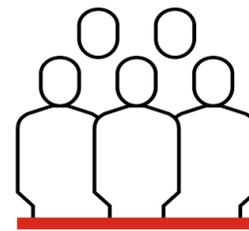


■ Secured / in-flight
■ Identified
■ Opportunities

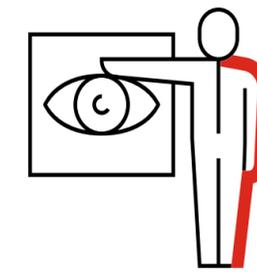
Sustaining relentless execution focus and responsiveness to market dynamics



**Leverage
market insights**



**Simplify
Organisation
and Strategy**



**Simplify
performance
management**

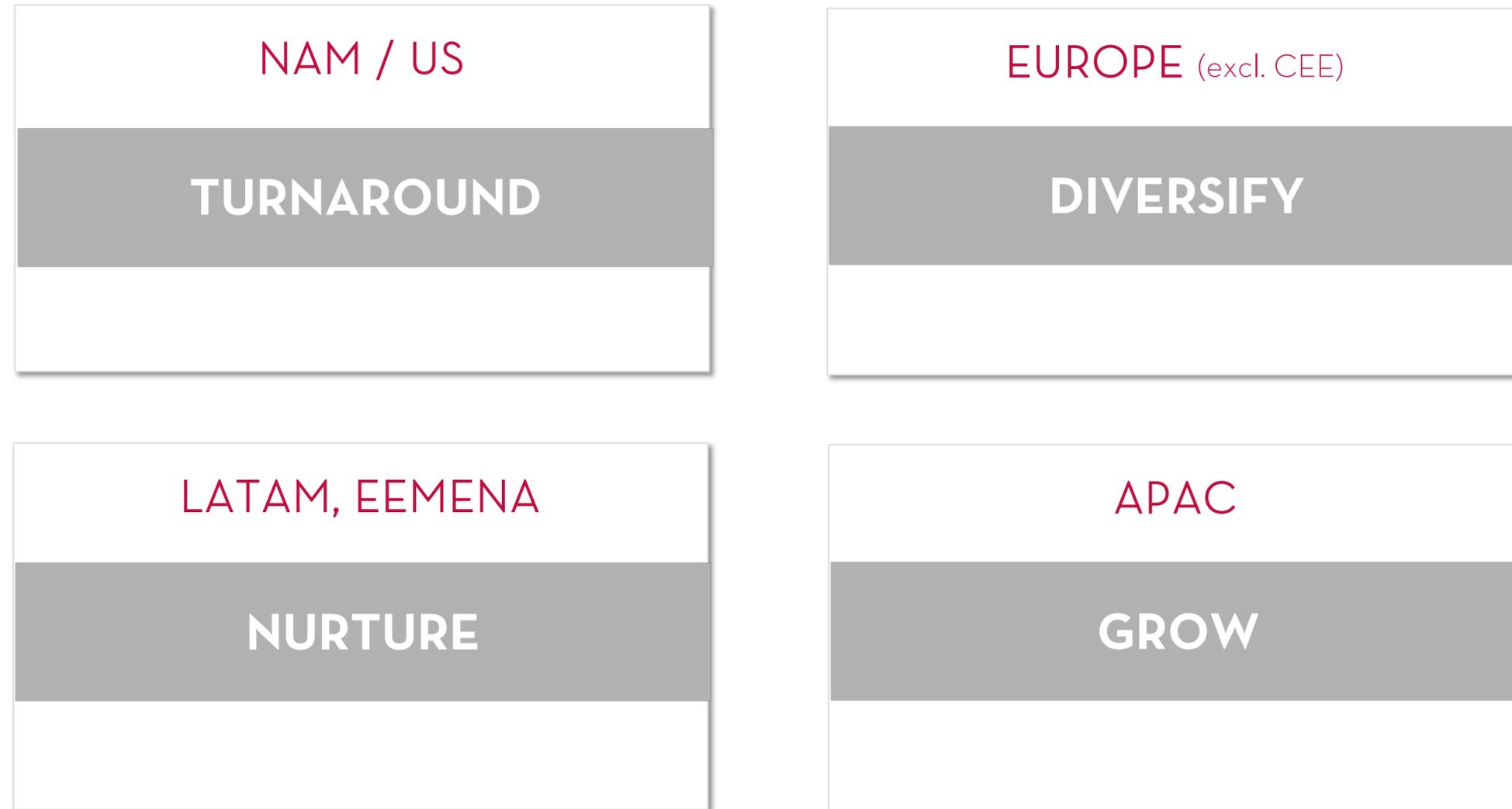
Two-part strategy to sustain industry leadership



RUN | Focus on strong local execution to grow core business



RUN | Deploying a geographical portfolio approach to bolster profitable market share gains



Diversify case study: Italy

STRONG TRACK RECORD

+9% Revenue CAGR

2019-22

7.1% EBITA margin

Average 2019-22

FOCUS AREAS

Expand SME exposure and onsite development

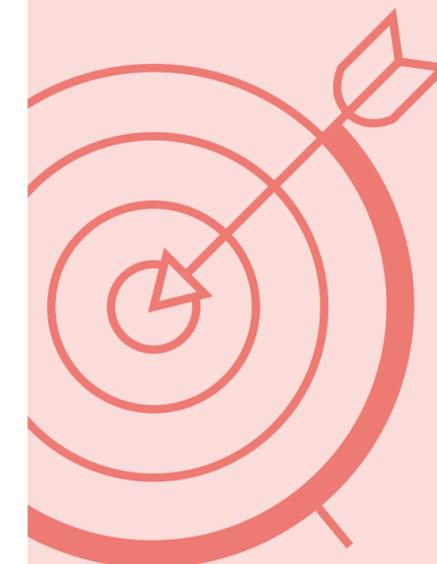
Tighten pricing discipline

Push on Perm, Outsourcing

Maximise digital and AI (e.g. business targeting, candidate platform)

NOTABLE WINS

Outsourcing partner for logistics site of a leading consumer goods company



Grow case study: Australia

CAPTURE POTENTIAL

+85% revenue growth Q3 23

0.9% market share (2022)

FOCUS AREAS

Focus on large clients

Expand solutions, especially
Outsourcing

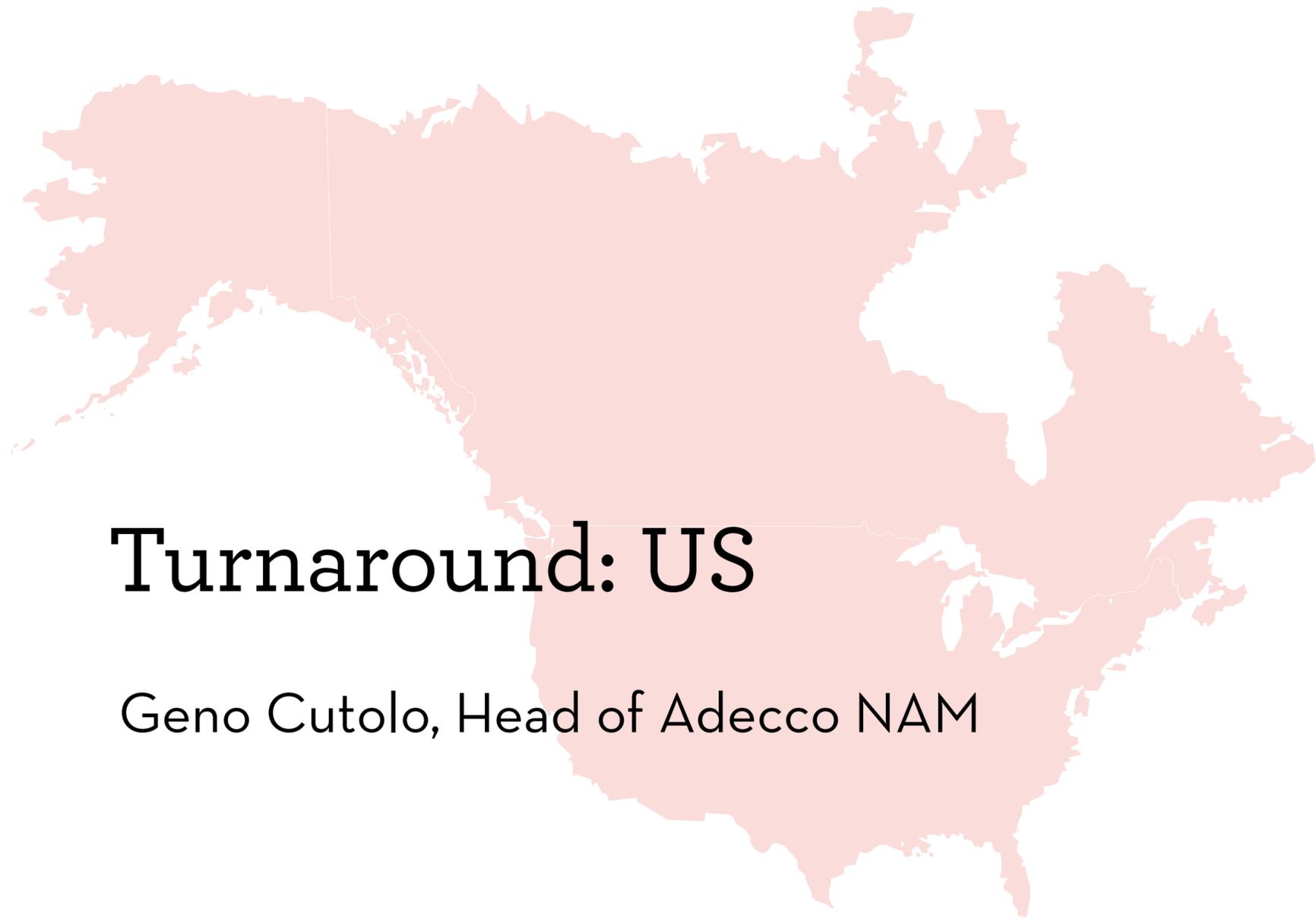
Drive efficiencies through G&A
optimisation

NOTABLE WINS

**Multi-annual recruiting services
contract for the Department of
Defence**

**Flexible staffing for a local
retail giant**





Turnaround: US

Geno Cutolo, Head of Adecco NAM

More than two decades in staffing

First role with Adia in 1996

Came home to Adecco
one year ago this week

Former North American CEO of global competitor

Successful turnarounds

Doubled size of business

Record profitability

The journey to US market leadership

1

**Reset &
stabilise**

2

**Make incremental
progress**

3

**Sustained profitable
growth dynamic**

Three fundamentals to address



Org Structure



Ways of Working



Culture

Resetting our foundation

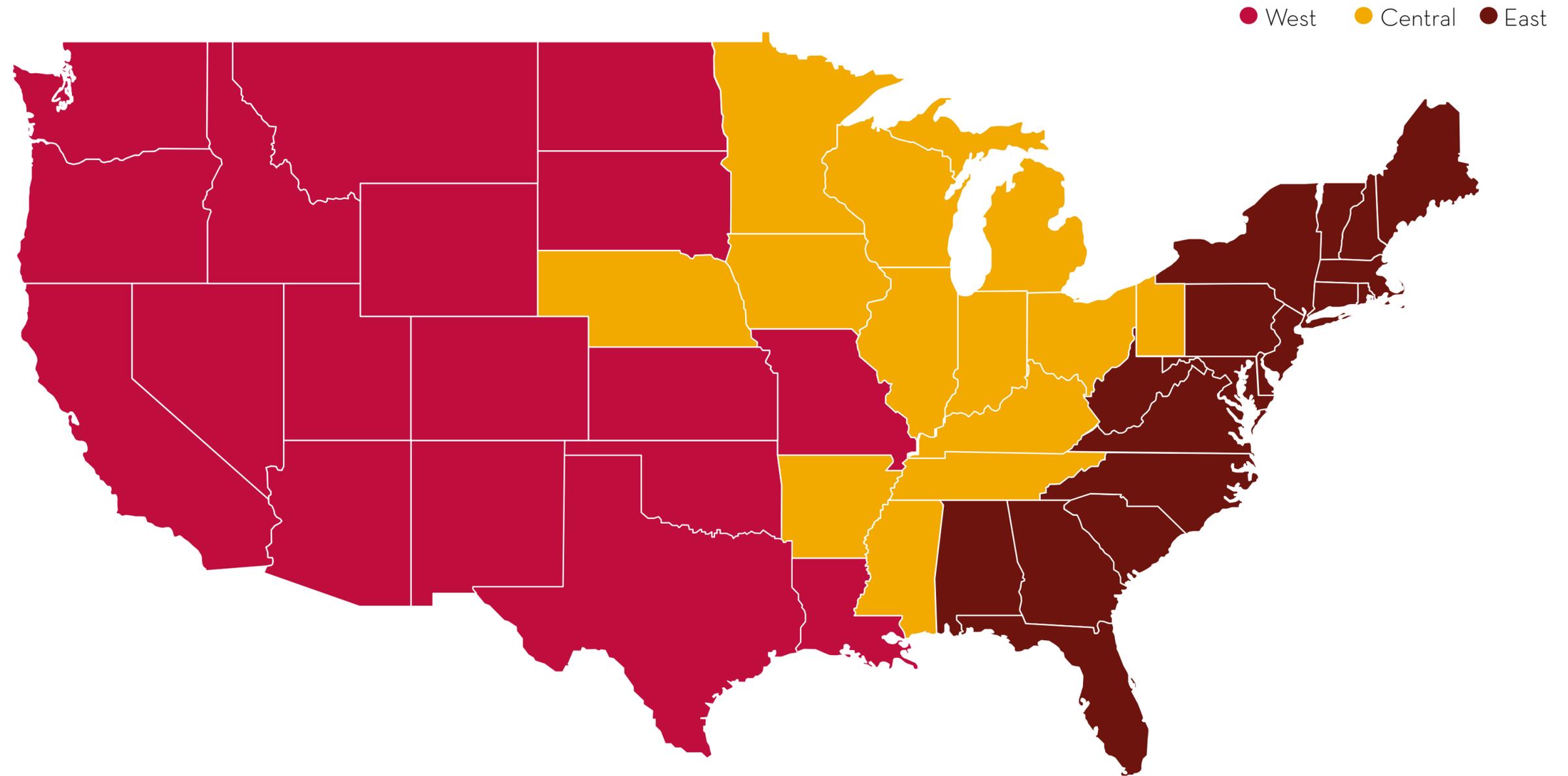


Org Structure



- Market-driven approach
- Retained industry expertise
- Decreased cost-to-serve

A clear and focused region-based structure



Resetting our foundation



Org Structure



- Market-driven approach
- Retained industry expertise
- Decreased cost-to-serve

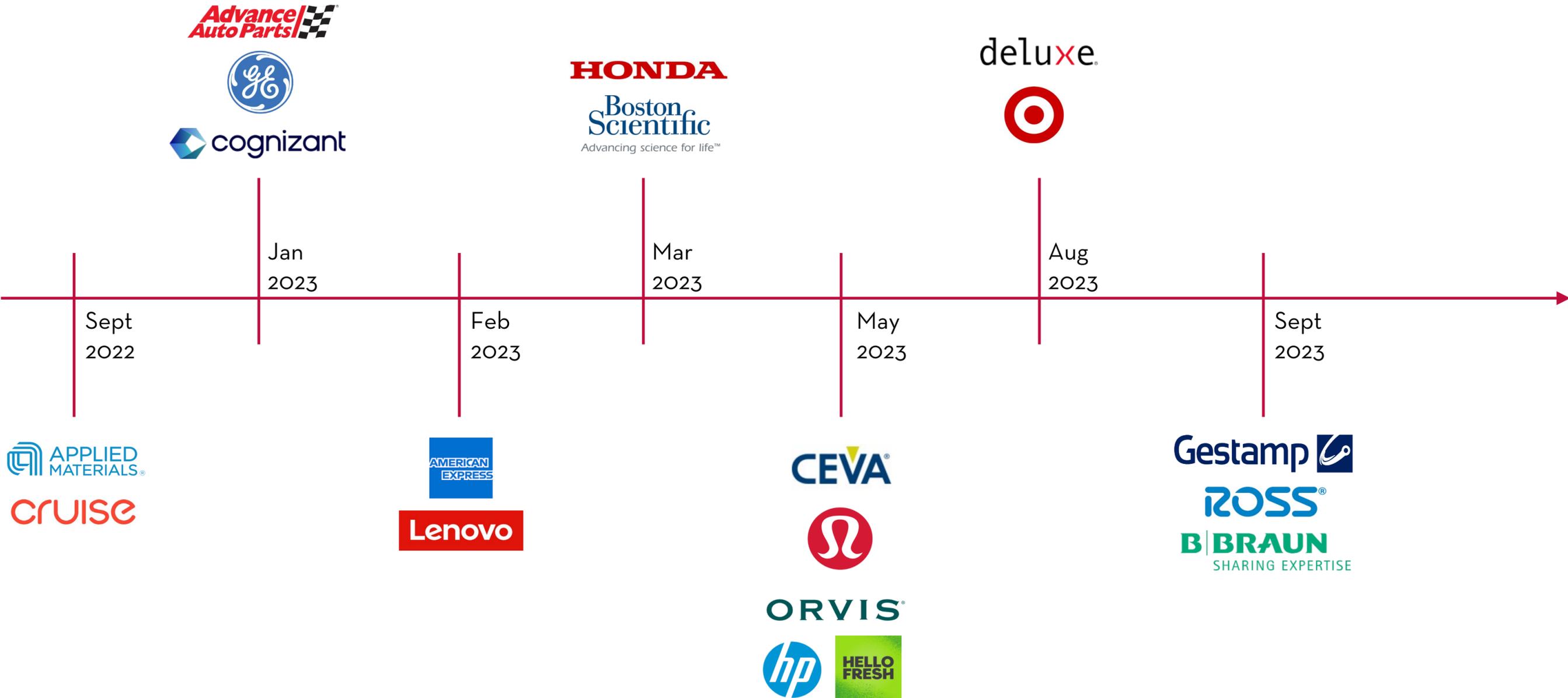


Ways of Working



- Sales and delivery collaboration incentivised
- Rebalanced channel mix
- Strengthened market resilience

Building resilience through diversification



Resetting our foundation



Org Structure



- Market-driven approach
- Retained industry expertise
- Decreased cost-to-serve



Ways of Working



- Sales and delivery collaboration incentivised
- Rebalanced channel mix
- Strengthened market resilience



Culture



- Increased colleague engagement
- Reduced voluntary turnover
- Reinforced purpose-driven work

Leading indicators of stability



Org Structure



- \$30 mn SG&A reduction



Ways of Working



- GP/Selling FTE: +15% yoy
- Profitable Branches: +30% yoy
- Fill Rate: +36% yoy



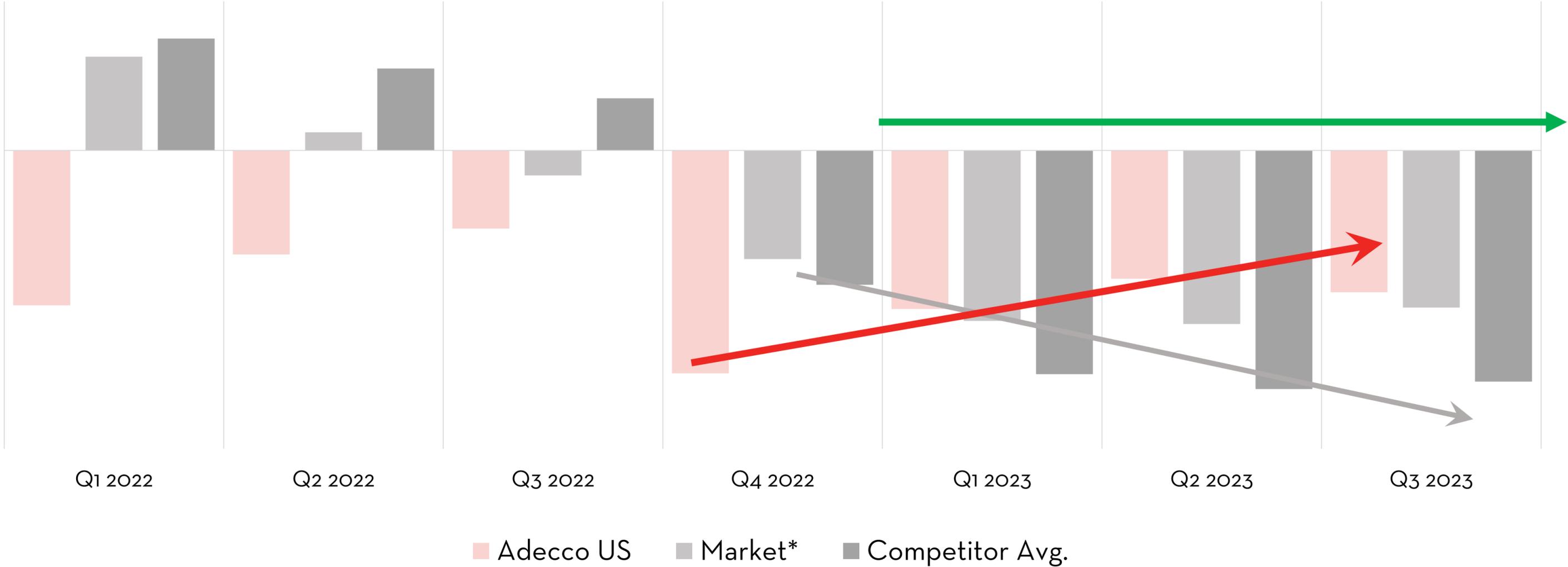
Culture



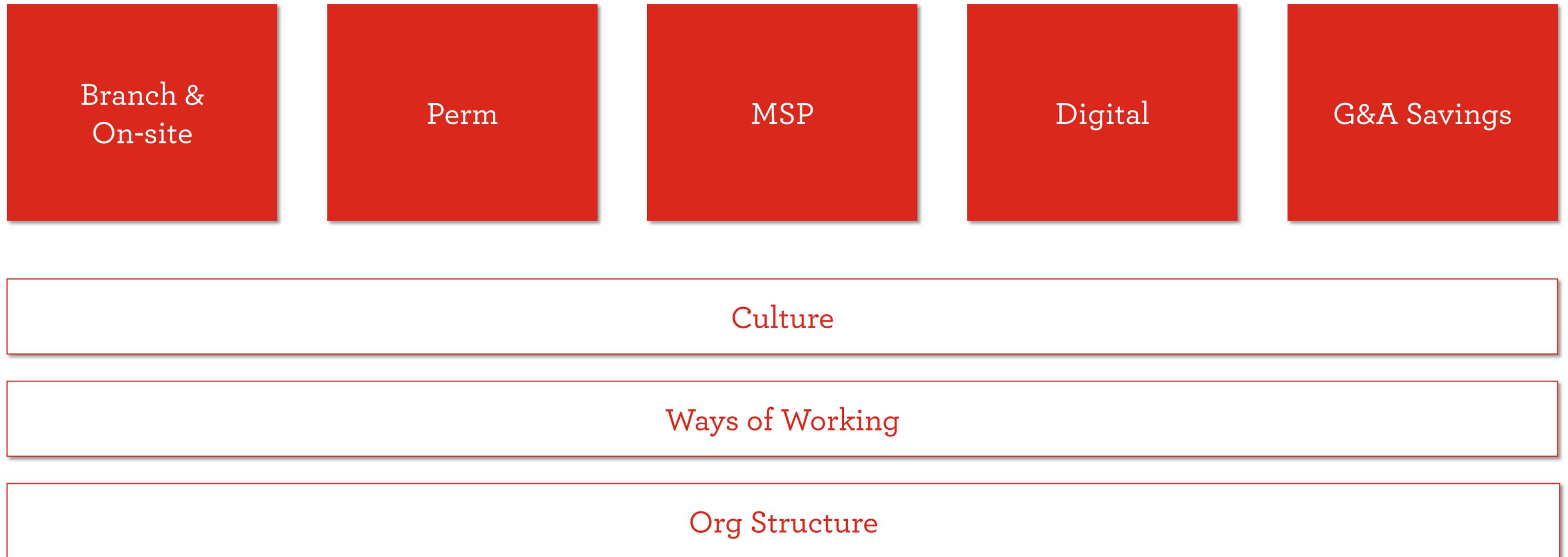
- Colleague Engagement: 8.5/10
- Voluntary Turnover: -33% yoy

Improving relative performance year-to-date

Adecco US revenue development vs. market and competition



Focusing on a few impactful levers to deliver turnaround

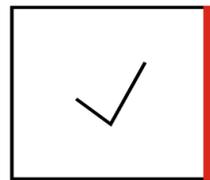


Achieving incremental profitable growth

KPI	2023	Ambition
Relative revenue growth	<ul style="list-style-type: none">Ahead of market and competition	<ul style="list-style-type: none">Stay ahead of competition
EBITA margin	<ul style="list-style-type: none">Breakeven	<ul style="list-style-type: none">Industry levels (3%-6%)
GP / Selling FTE	<ul style="list-style-type: none">+15% yoy	<ul style="list-style-type: none">2%-3% growth yoy in a supportive market
G&A as % of GP	<ul style="list-style-type: none">+115 bps improvement	<ul style="list-style-type: none">Sustained improvement
Associates working	<ul style="list-style-type: none">~35,000 / day	
Client Count	<ul style="list-style-type: none">~5,000	

1

**Reset &
stabilise**



2

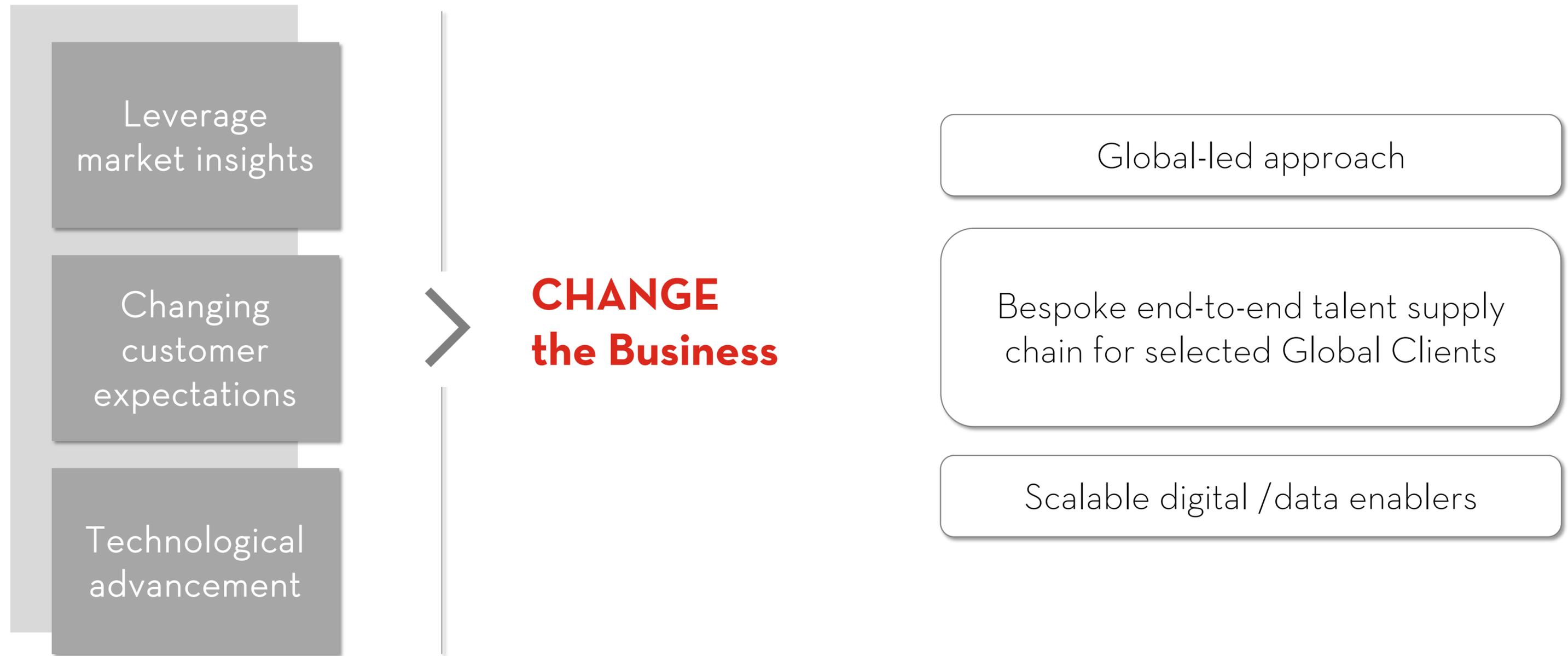
**Make incremental
progress**



3

**Sustained profitable
growth dynamic**

CHANGE | Leveraging scale with global clients for competitive advantage



CHANGE | We have built a highly effective end-to-end talent supply chain before

Example: Bespoke talent solution for Global Client

Key features	60,000 associates	12 countries	150 sites	>95% fill rate	+50 NPS
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CHANGE | By replicating this approach, we are tapping into a ~€10 bn market opportunity

1

Client-specific talent supply chain

Bespoke client solutions (6 clients)

2

Strategic-client talent supply chain

Duplication among similar large clients (60 clients)

3

Country talent supply chain

Leveraging infrastructure within countries

€1 bn

Addressable revenue

~€10 bn

CHANGE | Differentiating through an industry leading customer experience



Ownership on GBU level



Fully dedicated team



End-to-end talent supply chain empowered by data & digital



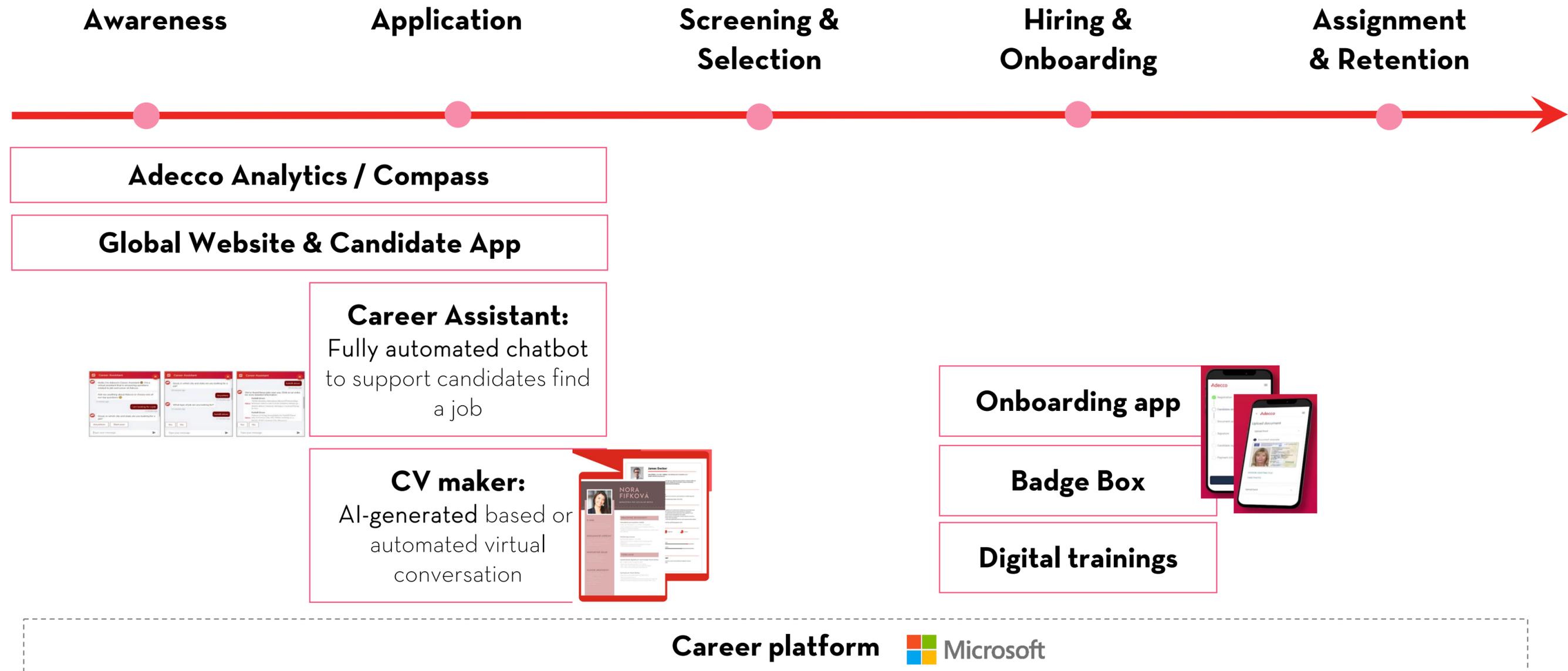
Global SLAs



Building a competitive advantage to address highly complex delivery challenges

CHANGE | Leveraging digital capabilities to improve the candidate journey

Example: Simplified blue-collar candidate journey and selected digital supporting tools / platforms



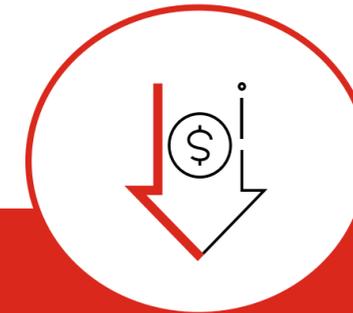
CHANGE | Leveraging digital capabilities to improve speed and cost to serve



86% revenue growth since acquisition in September 2021



70% of orders filled within 3 hours

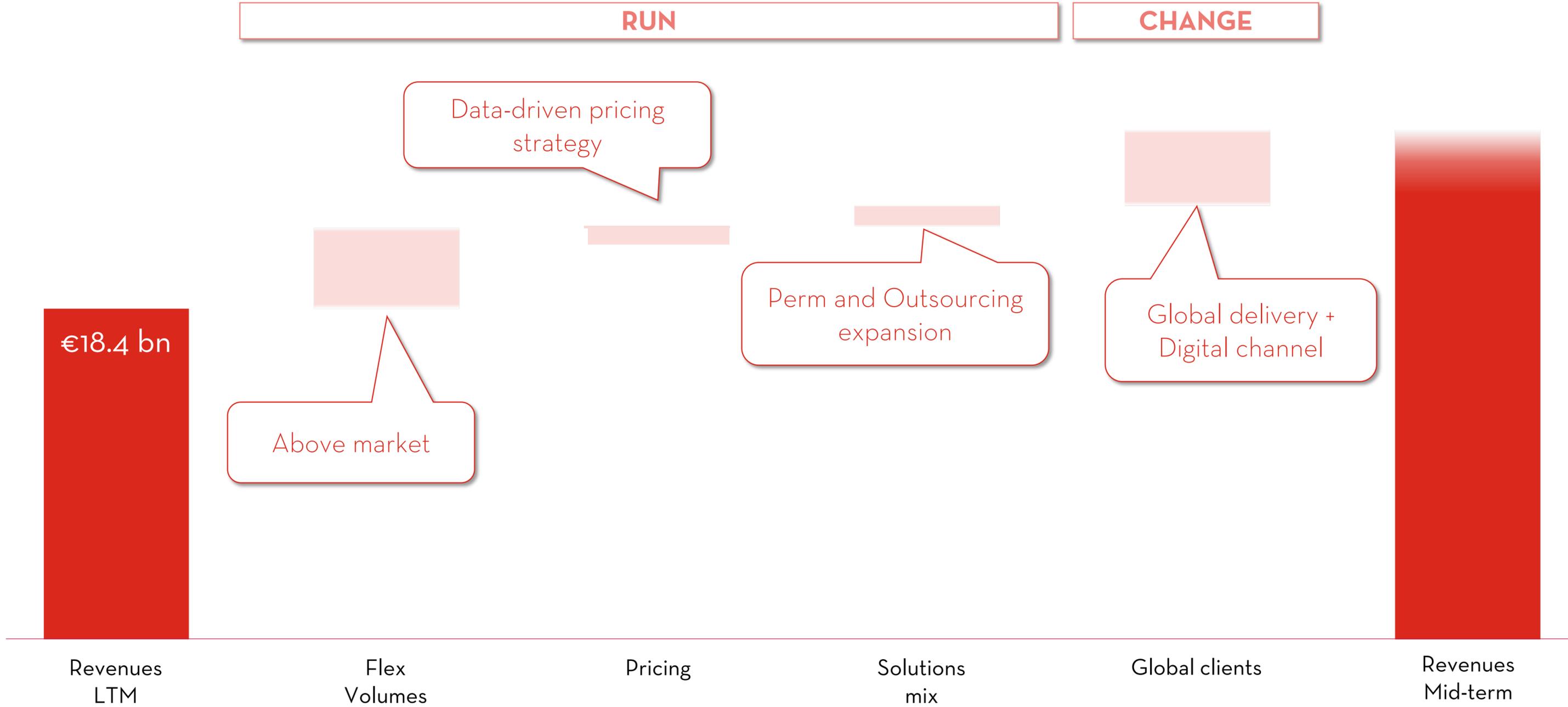


3x lower candidate acquisition cost*

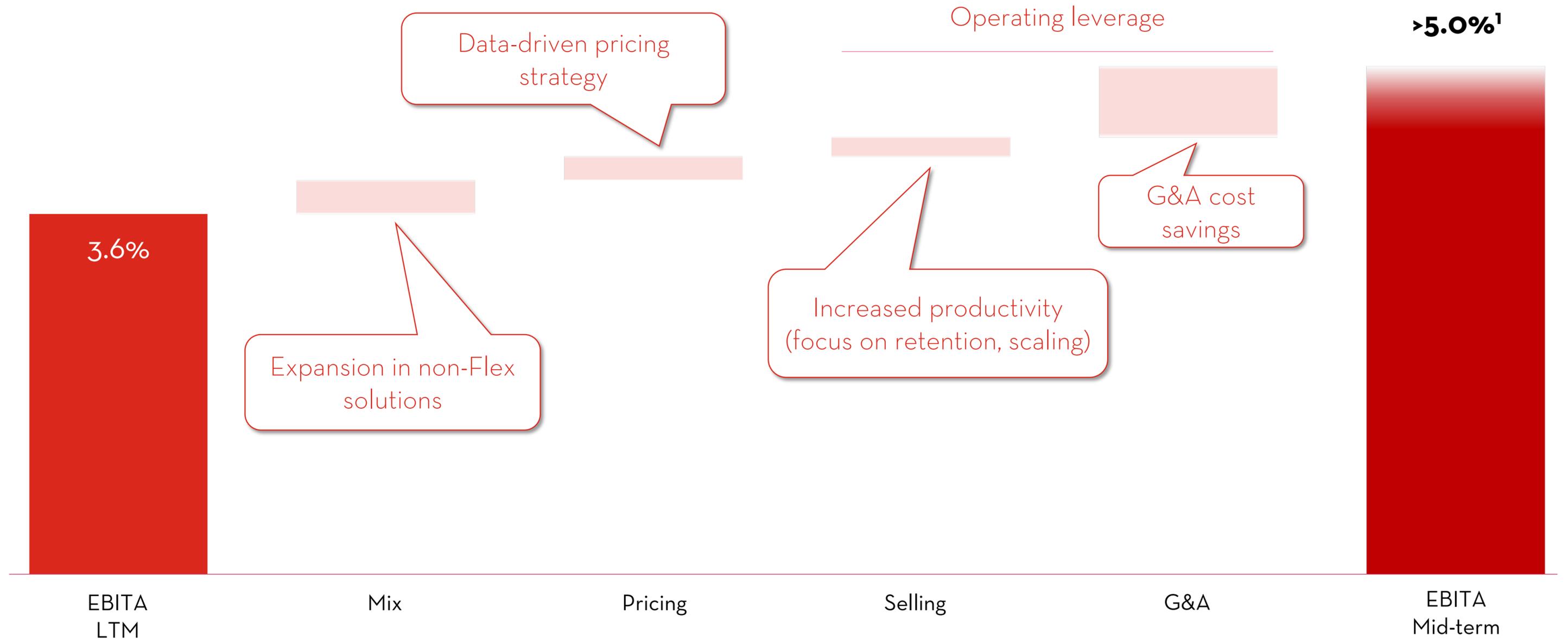
Fully digitised platform from requisition, search & match to contracting and timesheet

AI and data leveraged for market prediction and matching

Aiming to sustain industry leadership



Moving toward an >5% EBITA margin



Clear commitment on must win metrics

KPI

Relative revenue growth

EBITA margin (excl. one-offs)

Productivity

G&A as % of GP

Solutions GP share

Q3 23 results

- +930 bps ahead of competition

- 4.1%

- +5% yoy

- +60 bps improvement vs. Q2 23

- 22.7%, +80 bps yoy

Ambition (mid-term)

- Ahead of competition

- >5.0% (and 3-6% through-cycle)

- 2%-3% growth yoy in a supportive market

- Back to pre-pandemic levels

- ~30%

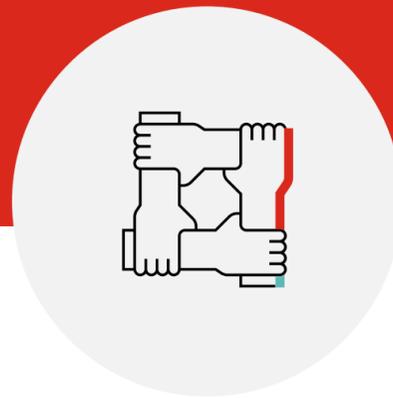
Key takeaways



Performance improvement over last 12 months, supported by structural changes



Geographical portfolio approach to drive market share gains, profitability



Traction on US turnaround plan



Leveraging scale with global clients, digital and data



Moving toward an >5% EBITA margin