



Adecco Group

A look at Adecco in Eastern Europe & MENA

Christos Misailidis, Zone Director of
Eastern Europe & MENA

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Agenda

- ▶ **An overview of the business in Eastern Europe & MENA**
- ▶ **Structural growth potential**
- ▶ **Adecco's differentiators**
- ▶ **Group strategic priorities in action:**
 - ▶ **Professional Staffing and permanent placement**
- ▶ **Our key focus areas in Eastern Europe & MENA**

An overview of the business in Eastern Europe & MENA

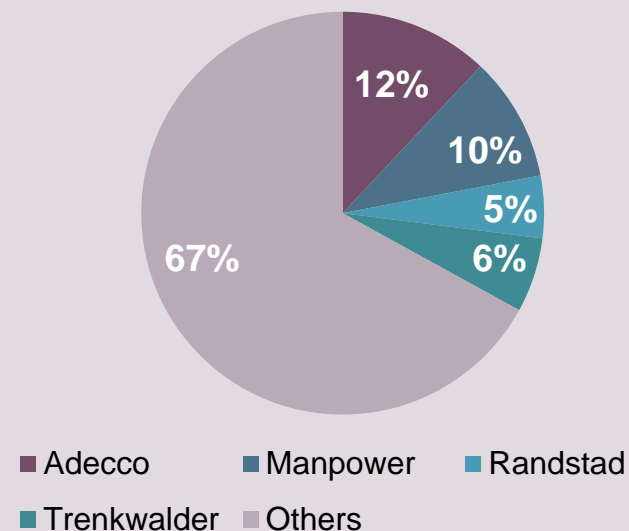
Adecco and the HR market in Eastern Europe & MENA

Based on FY 2013

Adecco Eastern Europe & MENA

- ▶ **Revenues: EUR 516 million**
3% of Group revenues
- ▶ **EBITA: EUR 16 million**
2% of Group EBITA¹⁾
- ▶ **145 branches**
- ▶ **1,066 FTE employees**
- ▶ **45,000 associates**

Market revenue split in EE & MENA²⁾



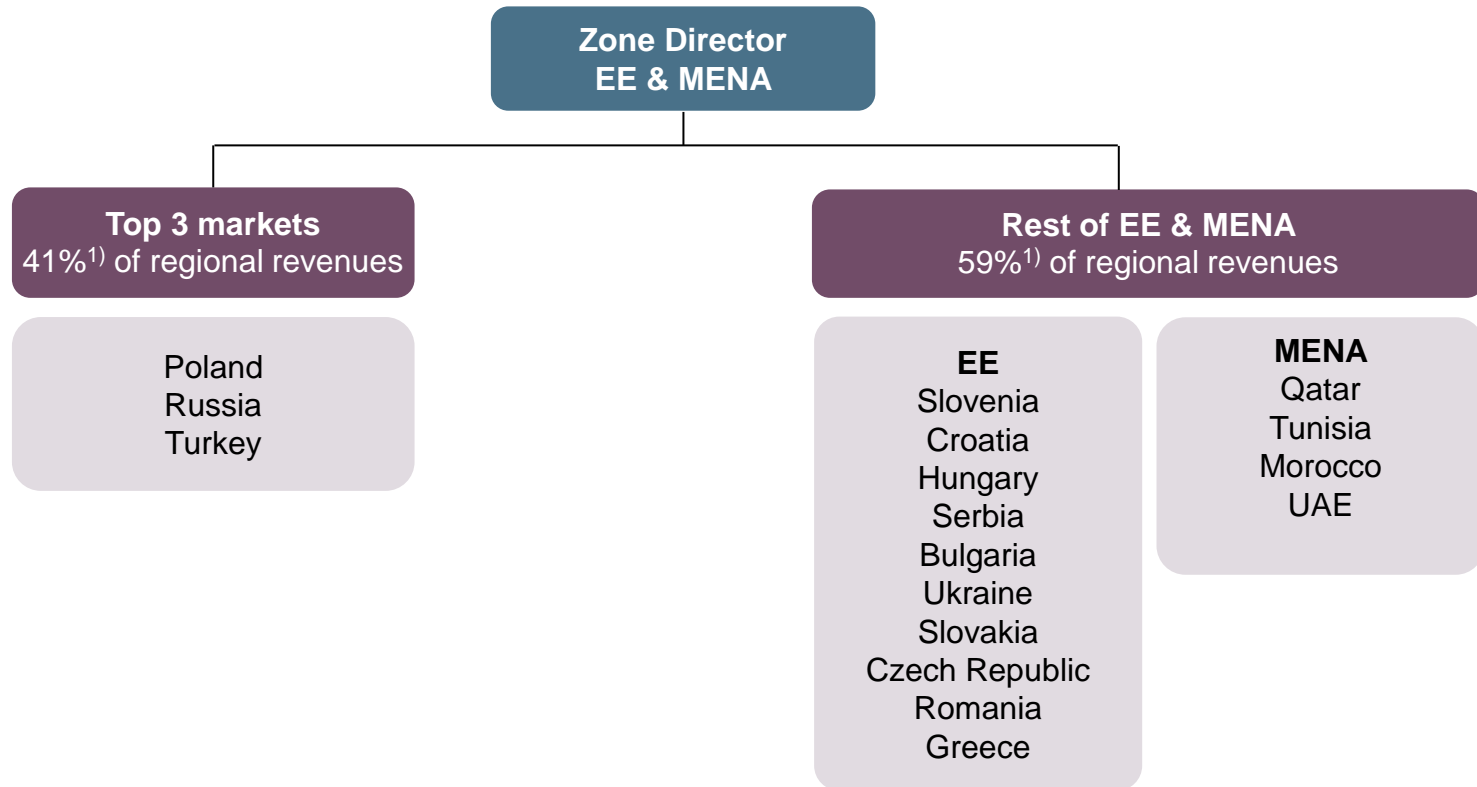
Total HR market: EUR 4.4 billion

1) Based on operating units

2) Adecco estimates

Adecco's business in Eastern Europe & MENA

Operations in 17 countries

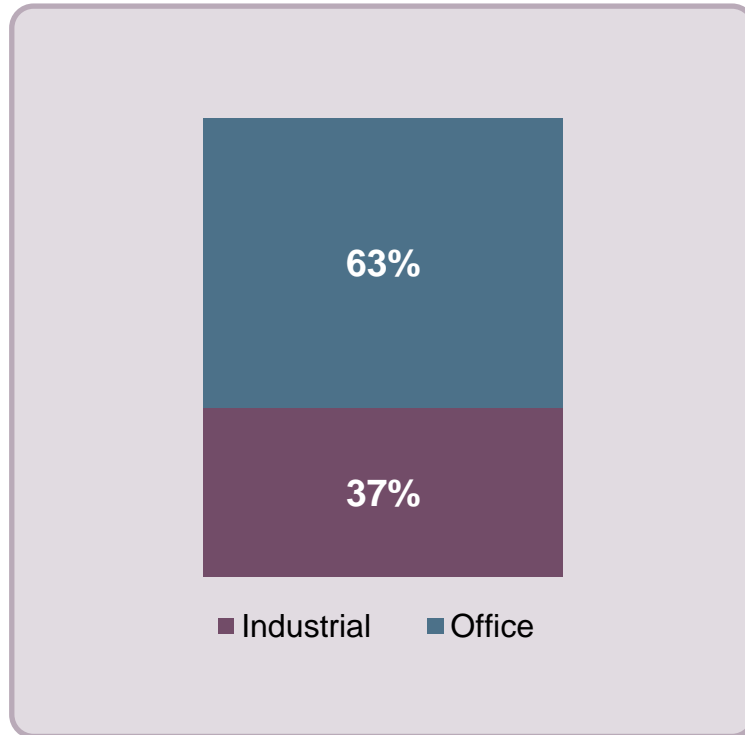


1) Based on 2013

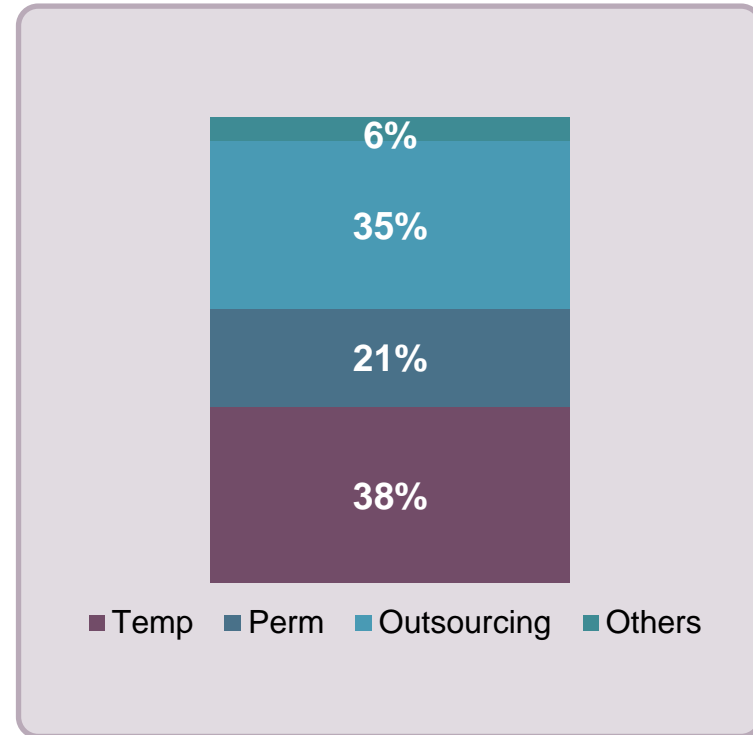
Adecco's business in Eastern Europe & MENA

Based on FY 2013

Revenues by Business Line

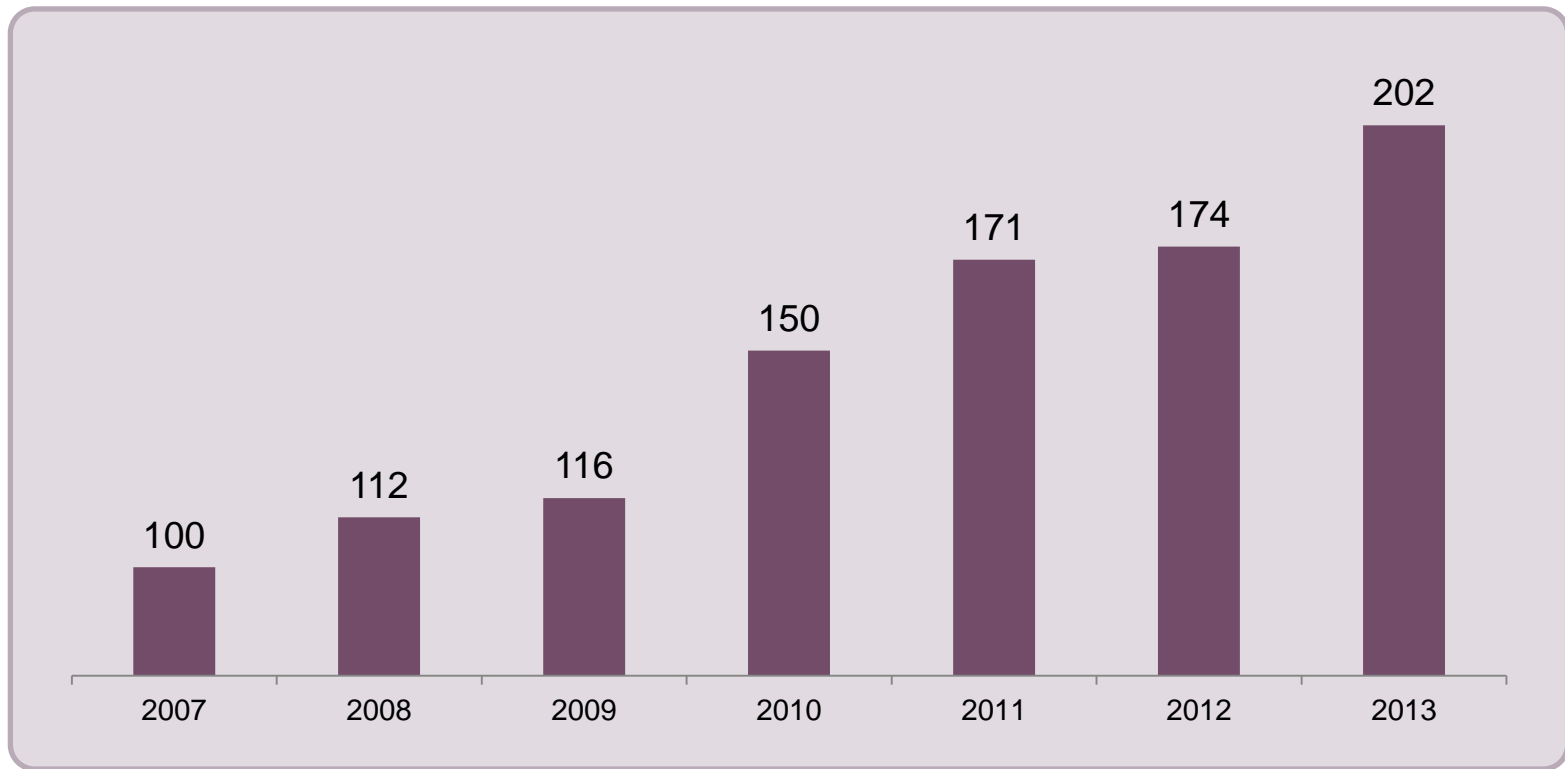


Gross profit by Service Line



Topline development of Adecco Eastern Europe & MENA

Revenues compared to 2007 in constant currency (index 2007=100)



Structural growth potential

Structural growth drivers in Eastern Europe & MENA

Continued strong growth expected over the coming years

4 key growth drivers

1. **Increased temporary staffing penetration rates from current low levels, helped by development of legislation**
2. **Robust economic growth in the majority of countries in the region**
3. **Ongoing increase in wage levels**
4. **Our company-specific investment plans in the region, with a focus on permanent placement**

Temporary staffing growth potential

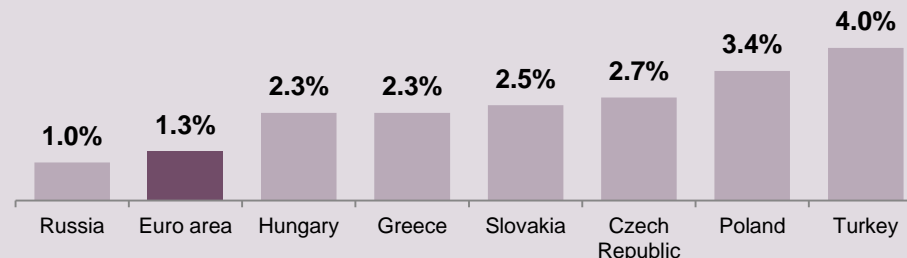
Some statistics for the region

EE & MENA	Population	Active Workforce	Penetration Rate Temp Staffing	Adecco Average Associates 2013
	430 m	200 m	0.25%	45,000

Temp staffing penetration rate, 2012¹⁾



Expected GDP growth 2015²⁾



Temporary staffing legislation

- ▶ To date, 11 out of the 17 countries have an active temporary staffing laws (starting with Greece in 2001)
- ▶ The majority of those countries applied the ILO convention 181

Continued wage inflation

- ▶ In Eastern Europe, wages increased at approximately 5% CAGR in 2008-13

1) Adecco estimates

2) Source: The Economist poll, September 2014

A overview of our 3 largest businesses in the region

Background on the markets and our operations

Poland

Staffing market overview

- ▶ Active workforce 17 million, temp penetration rate 1.0%
- ▶ Temporary work regulated from 2003
- ▶ Poland is one of the few countries in EE & MENA with active staffing association

Our Operations

- ▶ Adecco Poland started in 1994
- ▶ 40 branches and 228 FTE employees
- ▶ 13% market share in 2013
- ▶ Our largest sectors in 2013:

Turkey

Staffing market overview

- ▶ Active workforce 26 million, temp penetration rate 0.1%
- ▶ Main demand is for outsourcing
- ▶ Permanent placement an increasingly important market

Our Operations

- ▶ Adecco Turkey started in 1994
- ▶ 9 branches and 84 FTE employees
- ▶ 22% market share in 2013
- ▶ Our largest sectors in 2013:

Russia

Staffing market overview

- ▶ Active workforce 75 million, temp penetration rate 0.1%
- ▶ Main demand is for outsourcing and permanent placement
- ▶ Temp staffing law effective from 2016

Our Operations

- ▶ Adecco Russia started in 2003
- ▶ 15 branches and 224 FTE employees
- ▶ 8% market share in 2013
- ▶ Our largest sectors in 2013:

Adecco's differentiators

Adecco's differentiators in Eastern Europe & MENA

3 factors supporting our leading position

Organic platform

Strong talent development

New services innovation

Platform established through organic expansion

Consistent approach drives operational excellence

Candidate Recruitment & Management

Single candidate database for EE & MENA

Payroll, Billing, Finance

Single finance system for EE & MENA

CRM

Single CRM platform for EE & MENA

Business Information

Single BI tool for EE & MENA

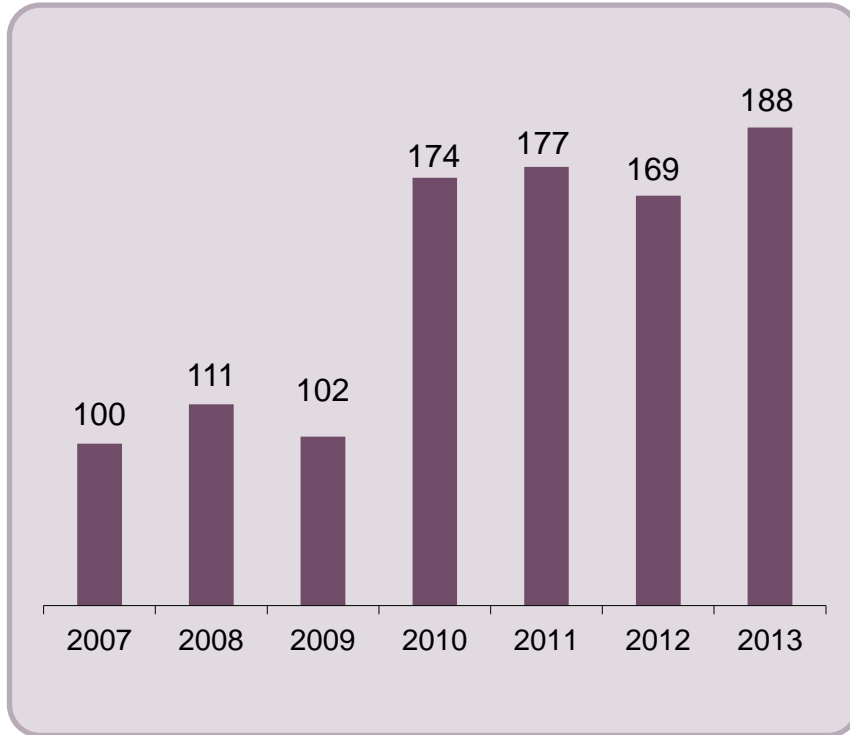
Common data systems

Common KPI data

Results of our strong operational focus

Improving productivity trends

Contribution by FTE¹⁾



External / Internal^{1), 2)}



1) Indexed 2007=100

2) Ratio of temporary FTEs / Adecco FTE employees

Focus on talent management

Developing our people to sustain our growth



Why it's important

- ▶ Strong growth means a continuous need for experienced people at Middle Management level to support further expansion

Differentiator

- ▶ As the largest player in Eastern Europe and MENA with presence in 17 countries, we have the largest talent pool in the region
- ▶ Our common culture and HR management approach allows us to tap into this talent base and share it across countries

New service innovation helps to drive growth

Field marketing services

What is field marketing?

- ▶ Use of promoters and merchandisers to drive sales of consumer products at the point of sale

How big is the opportunity?

- ▶ Potential market EUR 1,500m in Russia, EUR 750m in Turkey and EUR 750m in Poland
- ▶ Other significant opportunities in Romania and Greece

Why Adecco?

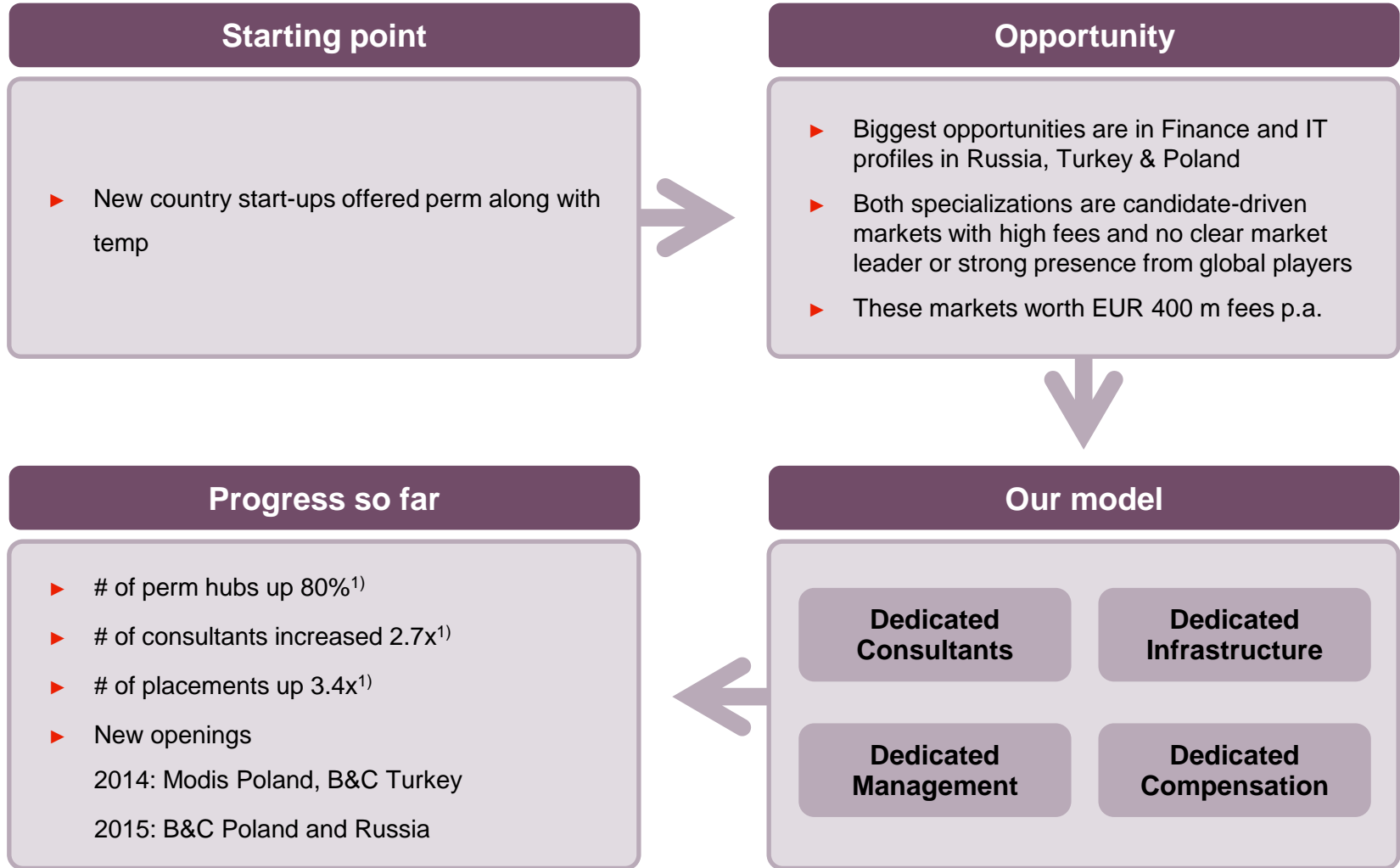
- ▶ Similarities with core business of recruiting, managing and training associates
- ▶ Dedicated field marketing teams with high service expertise
- ▶ Data capture through our own multi-lingual technology system

How big are we in this segment?

- ▶ Launched in Q1 2014
- ▶ >10 multi-national FMCG companies already using our services
- ▶ Strong pipeline of further opportunities

Group strategic priorities in action: Professional Staffing and permanent placement

Developing our offering in permanent placement



1) 2013 versus 2008

Our key focus areas in Eastern Europe & MENA

Our key focus areas in Eastern Europe & MENA

Regulatory lobbying

- ▶ Development of a temp staffing law in the 6 countries that are currently not regulated
- ▶ Improvements in the current legal framework in the rest of the countries

Talent management

- ▶ Increase employee engagement
- ▶ Cover at least by 50% our mid-management level needs with internal promotions
- ▶ Grow internal colleagues' international mobility

Permanent placement development

- ▶ Become top-3 player in mid-level permanent placement in every country
- ▶ Develop Professional Staffing in Finance and IT

New services development

- ▶ Implementation of our development plans in field marketing and outsourcing services

Control environment

- ▶ Maintain a strong environment for control and compliance