



Q4 & FY 2014 Results

Adecco Group

Zurich, March 11, 2015

Disclaimer and 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 Adecco S.A. 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; 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.

'EBITA' refers to operating income before amortisation of intangible assets.

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

Agenda

Operational review

Financial review

Strategy & Outlook

Questions & Answers

Operational review

Patrick De Maeseneire, Group CEO

Highlights

FY 2014

- ▶ Revenues EUR 20.0 billion, up 4% yoy in constant currency
- ▶ Gross margin of 18.5%, up 20 bps yoy
- ▶ SG&A up 3% yoy, in constant currency and excluding restructuring costs
- ▶ EBITA excluding restructuring costs of EUR 965 million
- ▶ EBITA margin excluding restructuring costs of 4.8%, up 40 bps yoy
- ▶ Net Income attributable to Adecco shareholders of EUR 638 million, up 14% yoy
- ▶ Proposed dividend for 2014 of CHF 2.10 per share, up 5% compared to last year

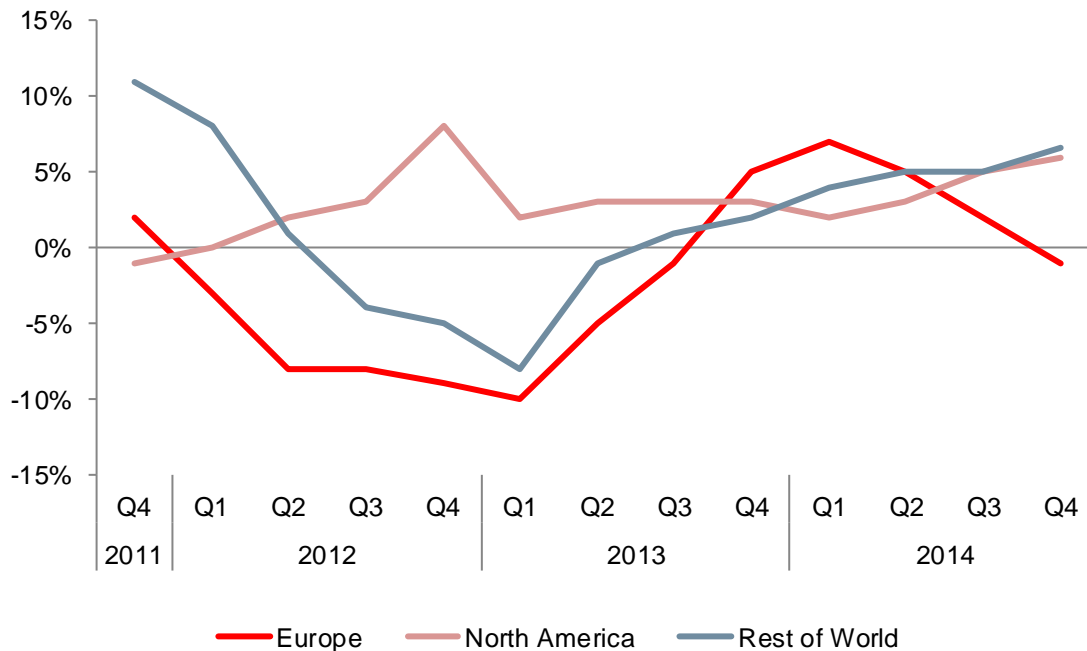
Highlights

Q4 2014

- ▶ Revenues EUR 5.2 billion, up 2% yoy in constant currency
- ▶ Gross margin of 18.9%, up 60 bps yoy
- ▶ SG&A excluding restructuring costs up 2% yoy and up 2% sequentially, in constant currency
- ▶ EBITA excluding restructuring costs of EUR 272 million
- ▶ EBITA margin excluding restructuring costs of 5.3%, up 50 bps yoy
- ▶ Revenues for January and February up 4% in constant currency & adjusted for trading days

Revenue development by region¹⁾

Organic year-on-year change in percent



Europe declined by 1% in Q4 2014 compared to growth of 2% in the previous quarter

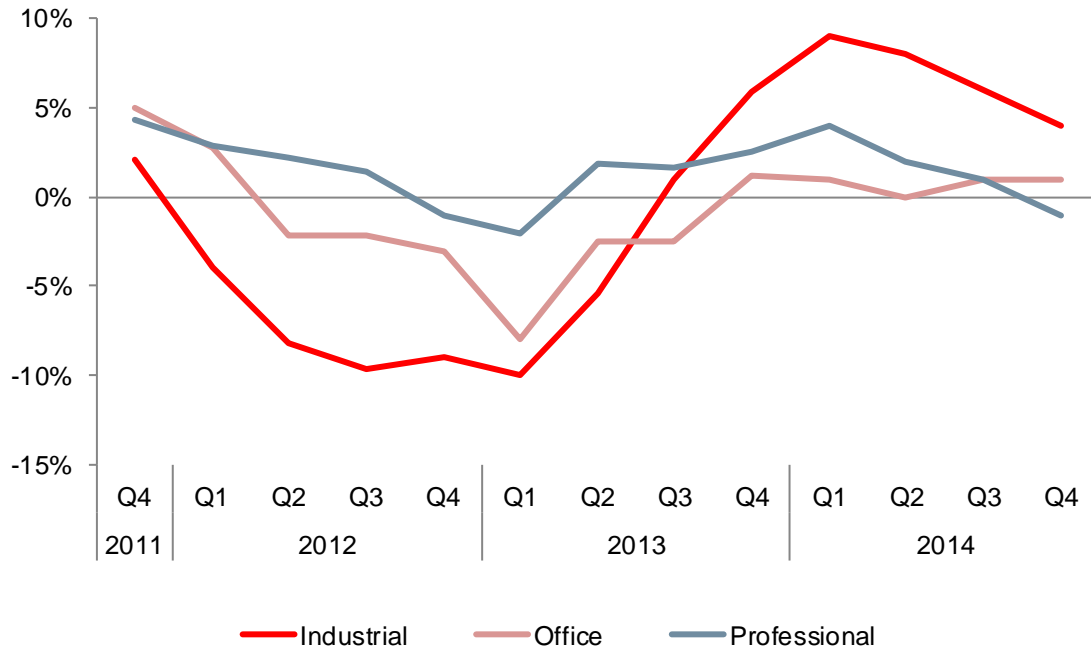
North America grew by 6% in Q4 2014 compared to 5% in the previous quarter

Rest of World grew by 6% in Q4 2014 compared to 5% in the previous quarter

1) Excluding LHH

Revenue development by business line¹⁾

Organic year-on-year change in percent



Industrial grew by 4% in Q4 2014 compared to 6% in the previous quarter

Office grew by 1% in Q4 2014, the same level as in the previous quarter

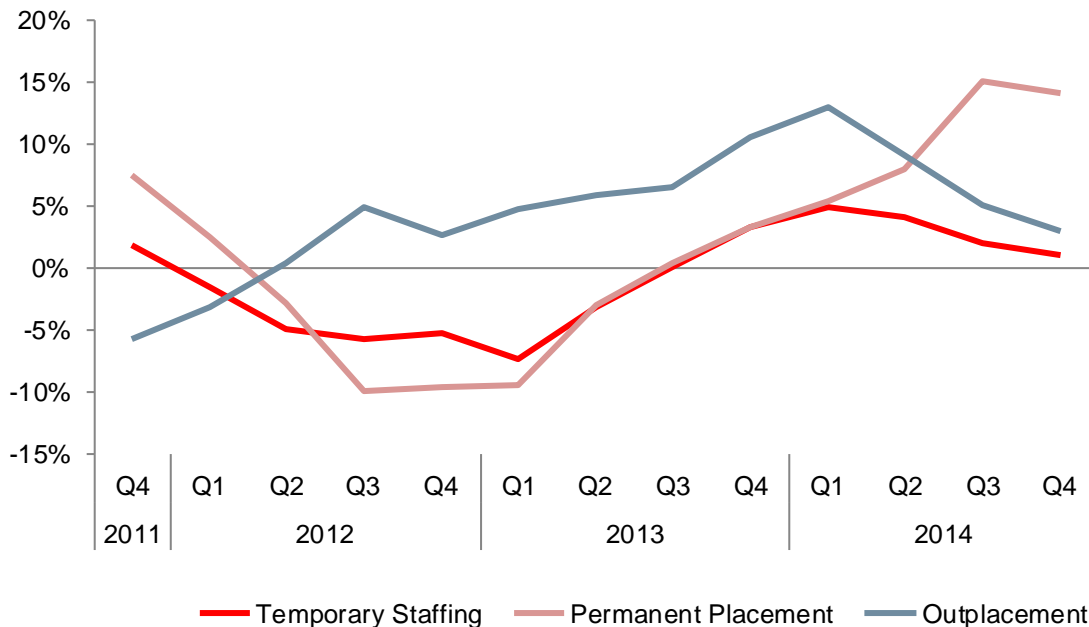
Professional Staffing declined by 1% in Q4 2014 compared to 1% growth in the previous quarter:

- IT: -1% (1% in Q3 2014)
- Engineering & Tech.: -6% (-1%)
- Finance & Legal: 4% (4%)
- Medical & Science: 3% (flat)

1) Excluding Solutions

Revenue development by service line¹⁾

Organic year-on-year change in percent



Temporary Staffing revenues grew by 1% in Q4 2014 compared to 2% in the previous quarter

Permanent placement revenues grew by 14% in Q4 2014 compared to 15% in the previous quarter

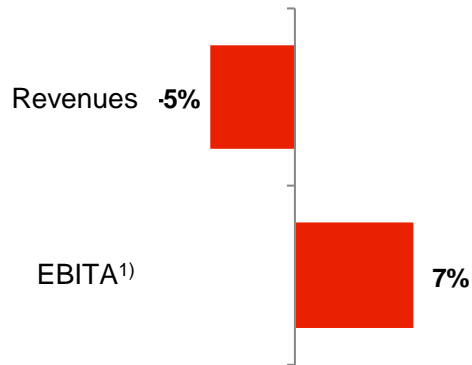
Outplacement revenues grew by 3% in Q4 2014 compared to 5% in the previous quarter

1) Excluding Outsourcing and Other

France

22% of group revenues in Q4 2014

Q4 yoy growth



EBITA¹⁾ margin



Revenues EUR 1,141 million, -5% yoy; revenues declined in Industrial, Office and Professional Staffing

EBITA excluding restructuring costs EUR 78 million. EBITA margin¹⁾ of 6.8%, up 80 bps

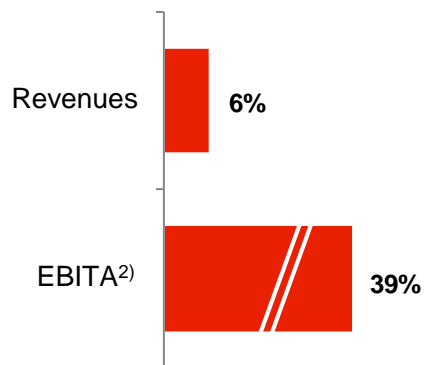
Revenues for Jan-Feb 2015 down 1%, adjusted for trading days

1) EBITA, EBITA growth rate and EBITA margin exclude restructuring costs of EUR 4 million in Q4 14 and EUR 10 million in Q4 13.

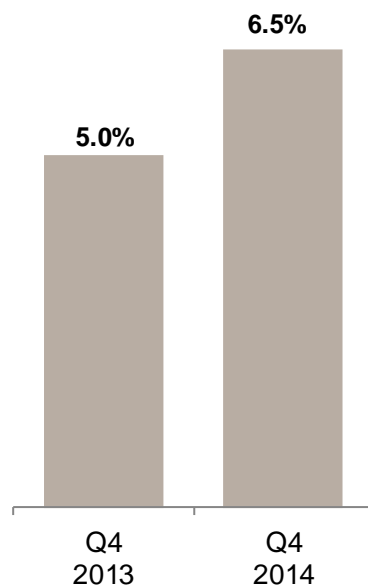
North America

21% of group revenues in Q4 2014

Q4 yoy growth¹⁾



EBITA²⁾ margin



Revenues EUR 1,067 million, up 6% yoy organically, driven by continued strong growth in Industrial, up by 13% in constant currency

EBITA excluding restructuring costs EUR 69 million. EBITA margin²⁾ up 150 bps helped by perm revenue growth of 12% yoy in constant currency

Revenues for Jan-Feb 2015 up 5%, adjusted for trading days

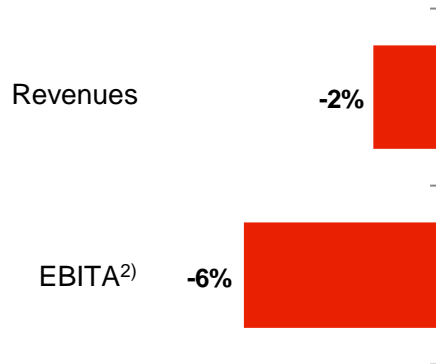
1) Revenue growth is organic and EBITA growth is in constant currency.

2) EBITA, EBITA growth rate and EBITA margin exclude restructuring costs of EUR 4 million in Q4 14 and EUR 2 million in Q4 13.

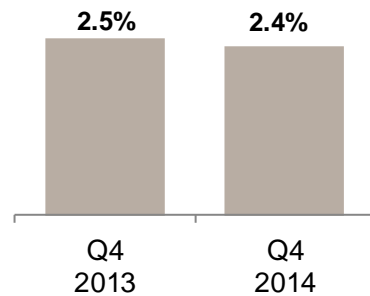
UK & Ireland

10% of group revenues in Q4 2014

Q4 yoy growth¹⁾



EBITA²⁾ margin



Revenues EUR 524 million, down 2% yoy in constant currency



EBITA EUR 13 million. EBITA²⁾ margin down 10 bps



Revenues for Jan-Feb 2015 up 1%, adjusted for trading days

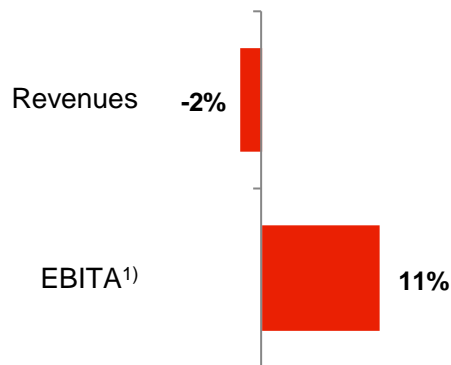
1) Growth rates are in constant currency

2) EBITA, EBITA growth rate and EBITA margin exclude restructuring costs of EUR 2 million in Q4 13.

Germany & Austria

8% of group revenues in Q4 2014

Q4 yoy growth



EBITA¹ margin



Revenues EUR 415 million, down 2% yoy, with Industrial down 2%

EBITA excluding restructuring costs EUR 18 million. EBITA margin¹ up 60 bps

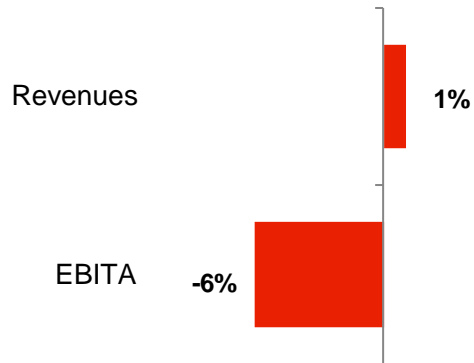
Revenues for Jan-Feb 2015 down 4%, adjusted for trading days

1) EBITA, EBITA growth rate and EBITA margin exclude restructuring costs of EUR 14 million in Q4 14.

Japan

5% of group revenues in Q4 2014

Q4 yoy growth¹⁾



EBITA margin



Revenues EUR 259 million, up 1% in constant currency with continued growth in professional staffing

EBITA EUR 15 million. EBITA margin down 40 bps

Revenues for Jan-Feb 2015 up 4%, adjusted for trading days

1) Growth rates are in constant currency

Revenues and EBITA by segment

Q4 2014 vs. Q4 2013

% of revenues	Revenues		EBITA excluding restructuring costs ^{1), 2)}			
	EUR millions	Organic change yoy	EUR millions	Margin	Margin change yoy	
22%	France ^{1), 2)}	1,141	-5%	78	6.8%	80 bps
21%	North America ^{1), 2)}	1,067	6%	69	6.5%	150 bps
10%	UK & Ireland ¹⁾	524	-2%	13	2.4%	-10 bps
8%	Germany & Austria ²⁾	415	-2%	18	4.5%	60 bps
5%	Japan	259	1%	15	6.0%	-40 bps
5%	Italy	280	10%	16	5.6%	10 bps
5%	Benelux	254	1%	15	5.6%	-60 bps
4%	Nordics ¹⁾	204	2%	4	2.3%	-60 bps
4%	Iberia ¹⁾	210	19%	8	3.9%	-20 bps
2%	Australia & New Zealand	93	4%	1	1.0%	20 bps
2%	Switzerland	113	1%	11	9.3%	-30 bps
10%	Emerging Markets ²⁾	524	10%	22	4.3%	30 bps
2%	LHH	88	2%	28	31.3%	380 bps
	Corporate			(26)		
100%	Adecco Group^{1), 2)}	5,172	2%	272	5.3%	50 bps

1) EBITA excluding restructuring costs in Q4 2013 of EUR 10 million in France, EUR 2 million in North America, EUR 2 million in the UK & Ireland, EUR 1 million in the Nordics, EUR 2 million in Iberia

2) EBITA excluding restructuring costs in Q4 2014 of EUR 4 million France, EUR 4 million in North America, EUR 14 million in Germany & Austria, EUR 1 million in the Emerging Markets

Financial review

Dominik de Daniel, Group CFO

Q4 2014 Results in detail – P&L

In EUR millions

EUR millions except share and per share information	Q4		Variance %	
	2014	2013	EUR	Constant Currency
Revenues	5,172	4,983	4%	2%
Gross profit	976	913	7%	5%
EBITA excluding restructuring costs	272	238	14%	13%
EBITA	249	221	13%	11%
Operating income	239	210	14%	12%
Income before income taxes	222	188	18%	
Net income	185	174	6%	
Net income attributable to Adecco shareholders	185	174	6%	
Basic earnings per share	1.06	0.98	9%	
Diluted earnings per share	1.06	0.98	9%	


Revenues up 2% in constant currency

EBITA excluding restructuring costs up 13%, in constant currency

Basic weighted-average shares were 174m in Q4 2014 vs 178m in Q4 2013

Sequential revenue analysis

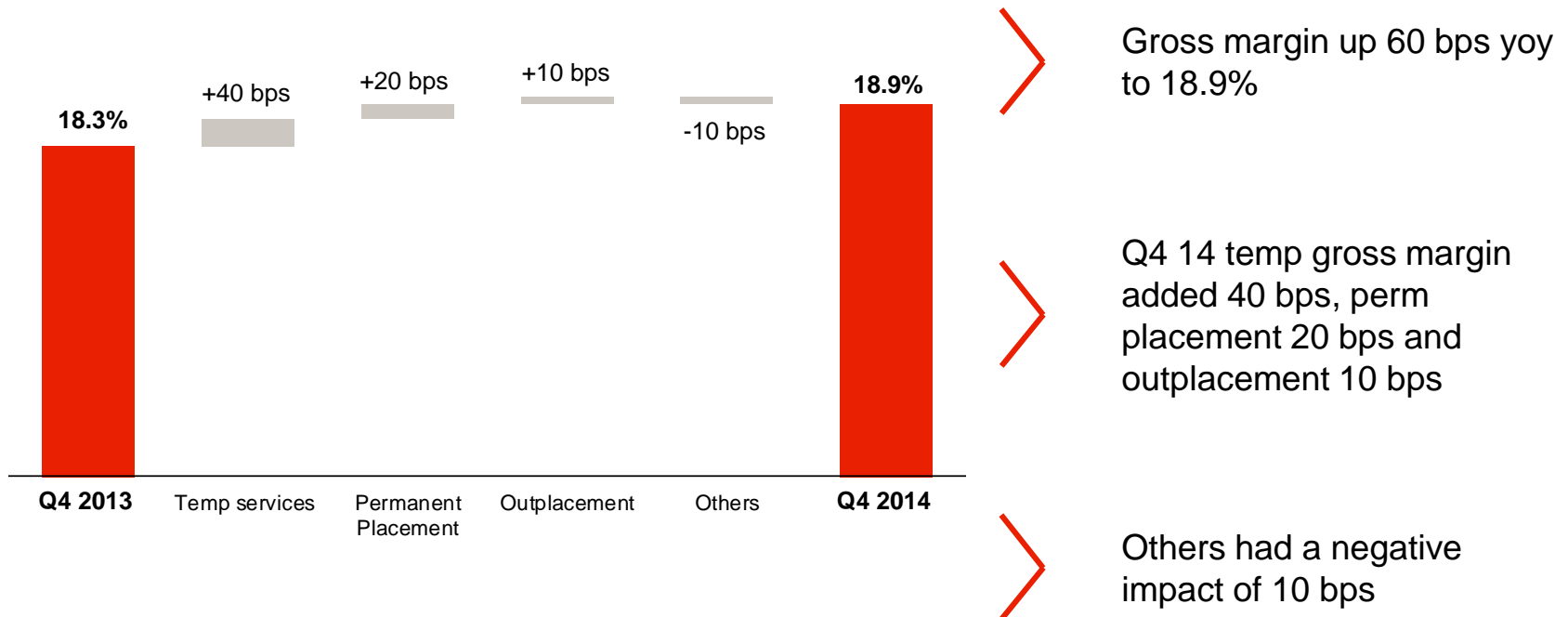
Adecco Group	Q1	Q2	Q3	Q4
2007	=	=	-	=
2008	+	- -	-	- - -
2009	- - -	- - -	=	=
2010	+ +	+	+	+
2011	+	=	=	=
2012	-	-	-	-
2013	=	=	=	=
2014	=	=	-	=

-  Above long-term growth trend¹⁾
-  In line with long-term growth trend¹⁾
-  Below long-term growth trend¹⁾

1) Long-term growth trend is the 13-yr median of sequential growth for the relevant quarter, adjusted for currency, acquisitions, divestitures and trading days

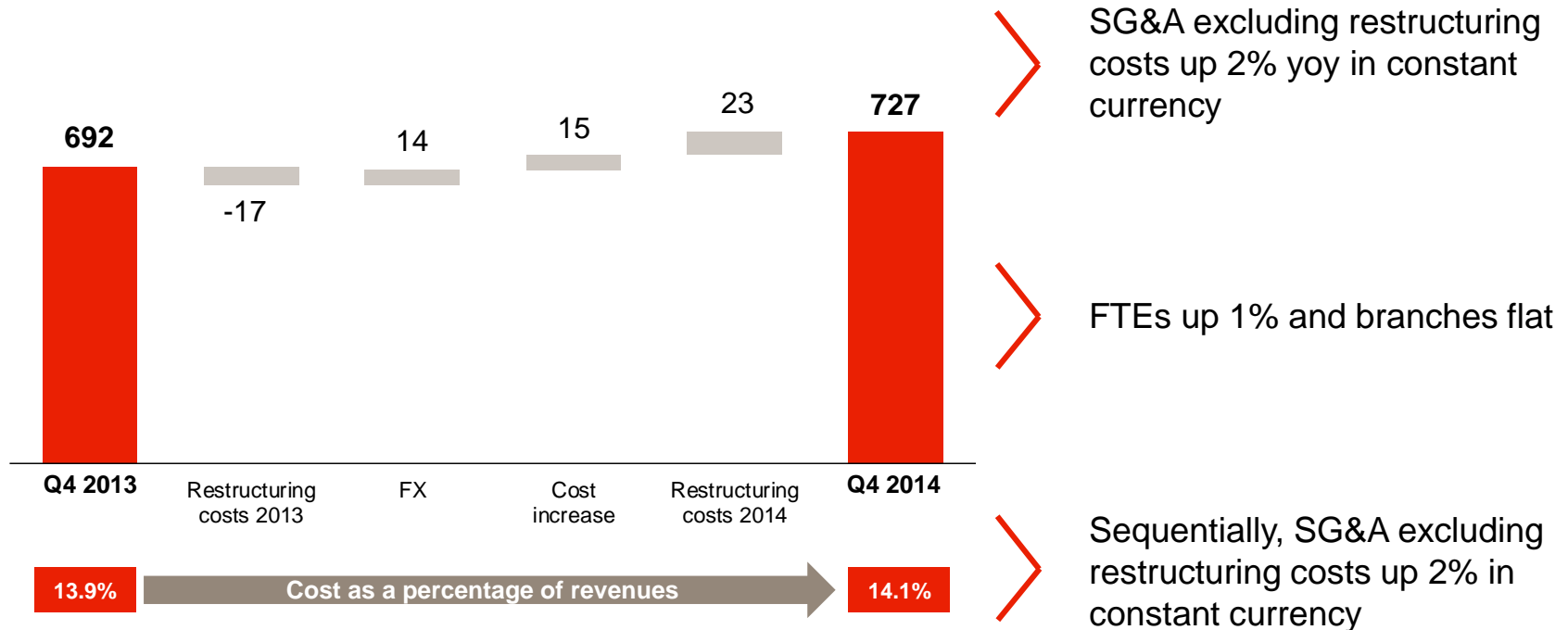
Q4 2014 gross margin drivers

As percentage of revenues



Q4 2014 SG&A movements

In EUR millions



Q4 2014 cash flow statement

In EUR millions

EUR millions	Q4		FY	
	2014	2013	2014	2013
Cash flows from operating activities				
Net income	185	174	640	558
Adjustments to reconcile net income to cash flows from operating activities:				
– Depreciation and amortisation	33	36	129	143
– Other charges	(13)	54	21	74
Changes in operating assets and liabilities, net of acquisitions:				
– Trade accounts receivable	203	62	(38)	(173)
– Accounts payable and accrued expenses	(98)	24	106	134
– Other assets and liabilities	(26)	(100)	(73)	(216)
Cash flows from operating activities	284	250	785	520
Cash used in investing activities	(31)	(32)	(93)	(55)
Cash flows used in financing activities	(230)	(60)	(978)	(570)
Effect of exchange rate changes on cash	6	(11)	18	(35)
Net increase/(decrease) in cash and cash equivalents	29	147	(268)	(140)
Cash and cash equivalents:				
– Beginning of period	666	816	963	1,103
– End of period	695	963	695	963

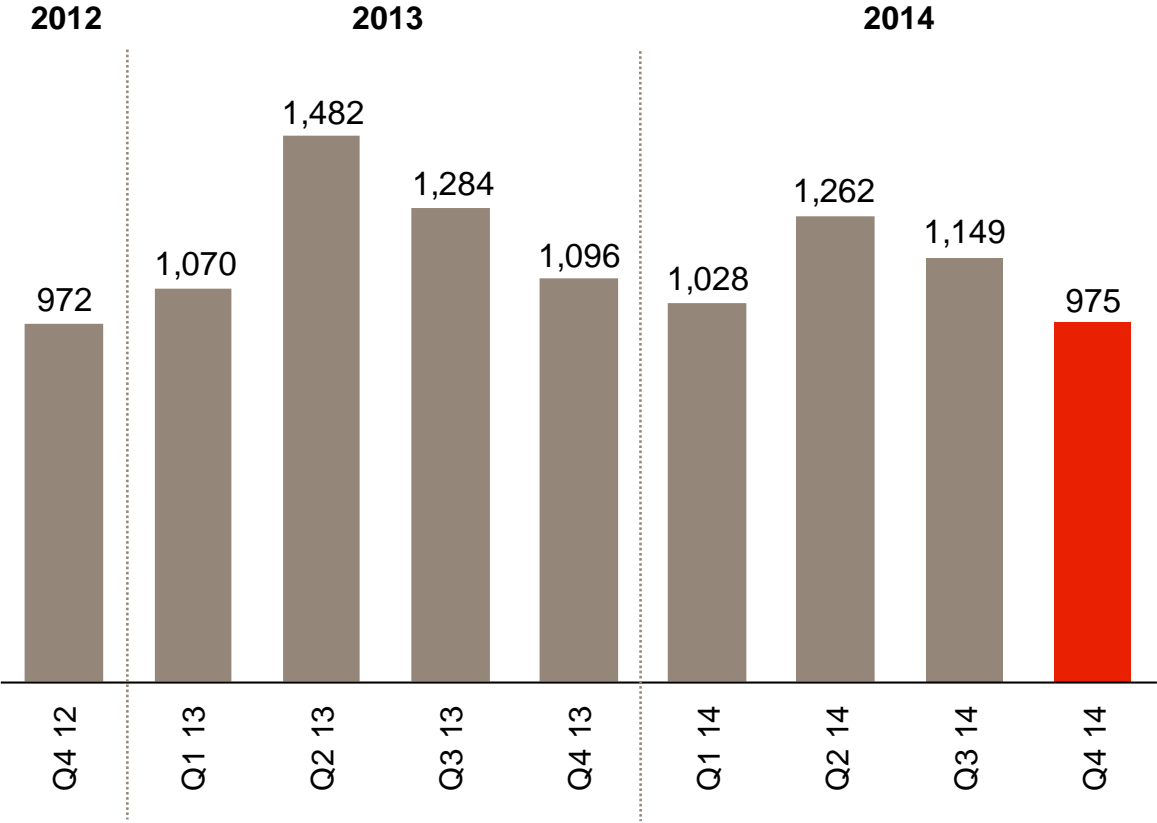
Q4 2014 cash flow from operating activities of EUR 284 million

In Q4 2014, cash flows used in investing activities included EUR 25 million capex

Q4 2014 cash flows from financing activities included EUR 81 million purchase of shares

Net debt development

In EUR millions



Q4 2014 Net Debt / EBITDA¹⁾ of 0.9x

1) Last 4 quarters EBITDA, calculated as: EBITA excluding restructuring costs plus depreciation

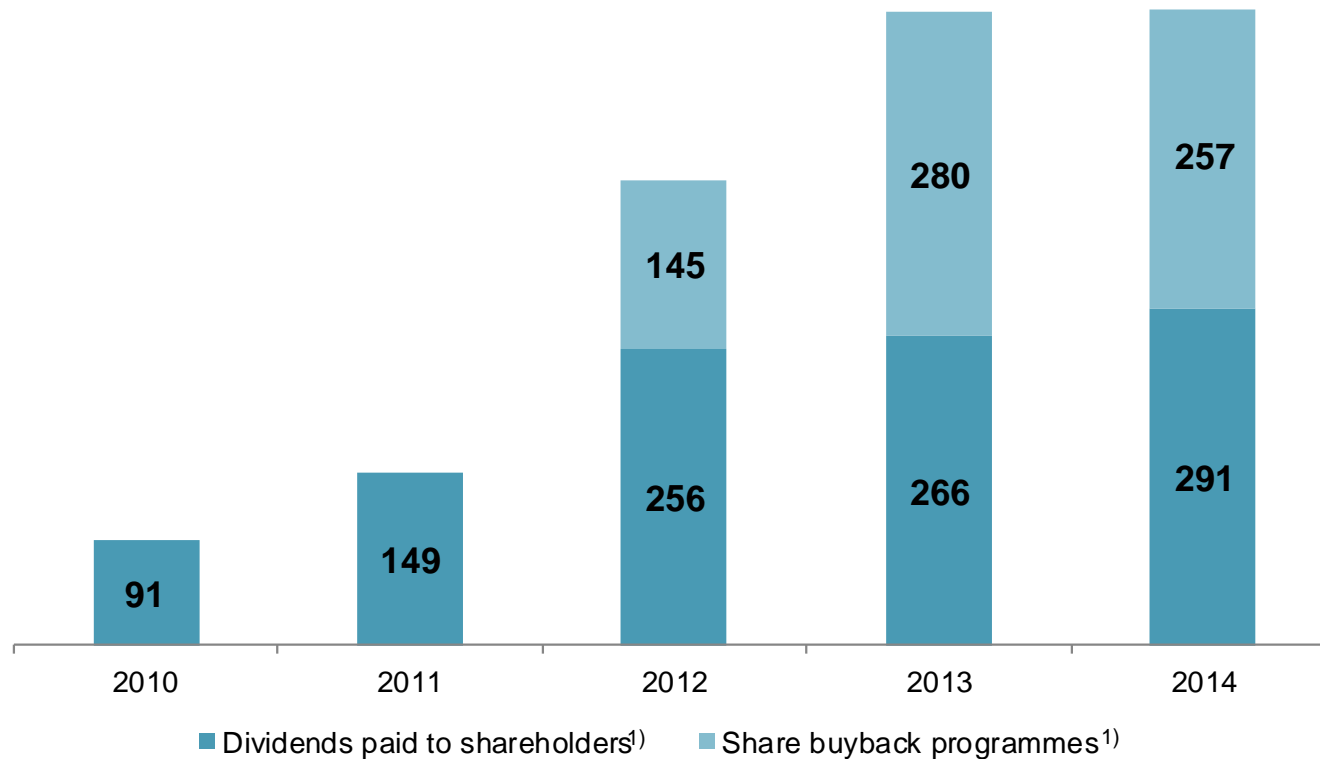
Financial Guidance

Based on current management expectations

FY 2015	Corporate costs	>	~ EUR 120 million
	Interest expense	>	~ EUR 65 million
	Capex	>	~ EUR 90 million
	Amortisation	>	~ EUR 35 million
<hr/>			
Q1 2015	Tax rate	>	Effective rate ~ 28 %
	SG&A	>	Up slightly QoQ, in constant currency and excl. restructuring costs, due to seasonality

Dividends and share buybacks

EUR 1.7 billion since 2010

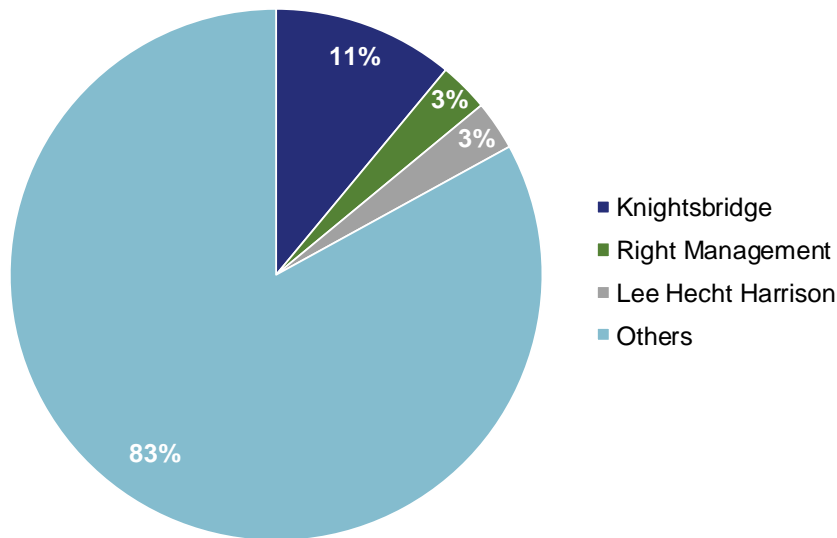


1) In EUR millions

Acquisition of Knightsbridge Human Capital Services

Establishes LHH as leading player in Canadian market

Canadian market
Career Transition and Talent Development¹⁾



- Knightsbridge is the market leader in Canada
- Strong offering in Career Transition and Talent Development
- Good cultural fit and attractive synergy potential

LEE HECHT
HARRISON

 **Knightsbridge**
human capital solutions

1) Adecco estimates for 2014

Strategy & Outlook

Patrick De Maeseneire, Group CEO

Outlook

**Adecco Group:
Revenues up 4% for
January-February, in
constant currency and
adjusted for trading days**

**Europe:
Improving trends into
Q1 2015, driven by
France, Italy and
Benelux**

**North America:
Steady growth
trend**

**Rest of the World:
slightly improving trend in
Japan, Australia & NZ and
Emerging Markets**

**Remain convinced we will achieve target
of >5.5% EBITA margin in 2015**

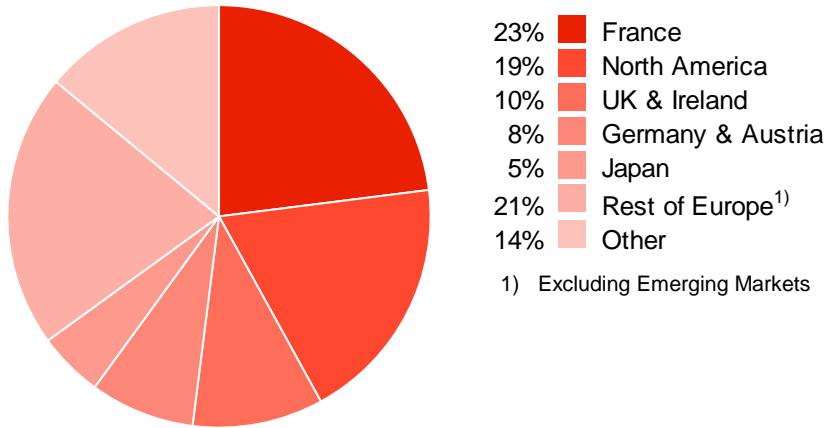
Q&A

Appendix

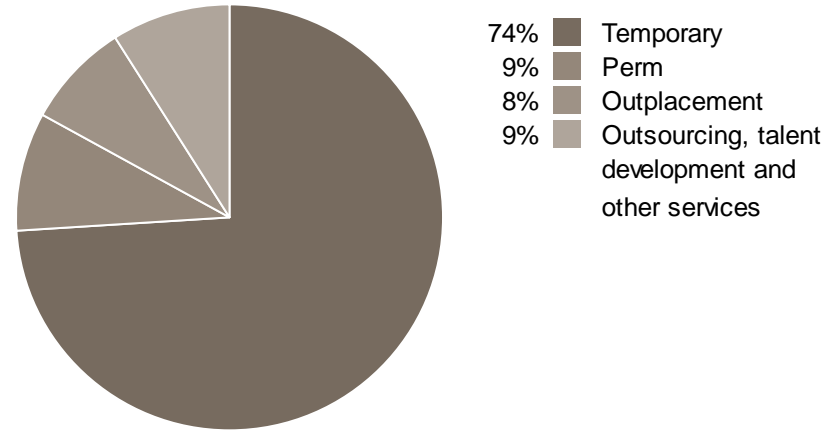
Revenue and Gross Profit

by segment, by business line and by service line

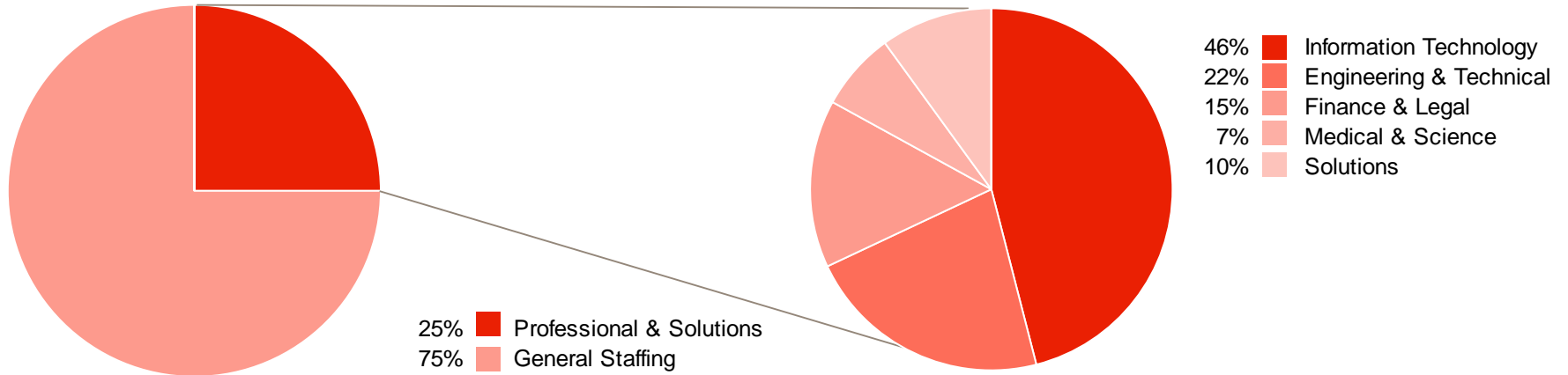
FY 2014 revenues by segment



FY 2014 gross profit by service



FY 2014 revenues by business line



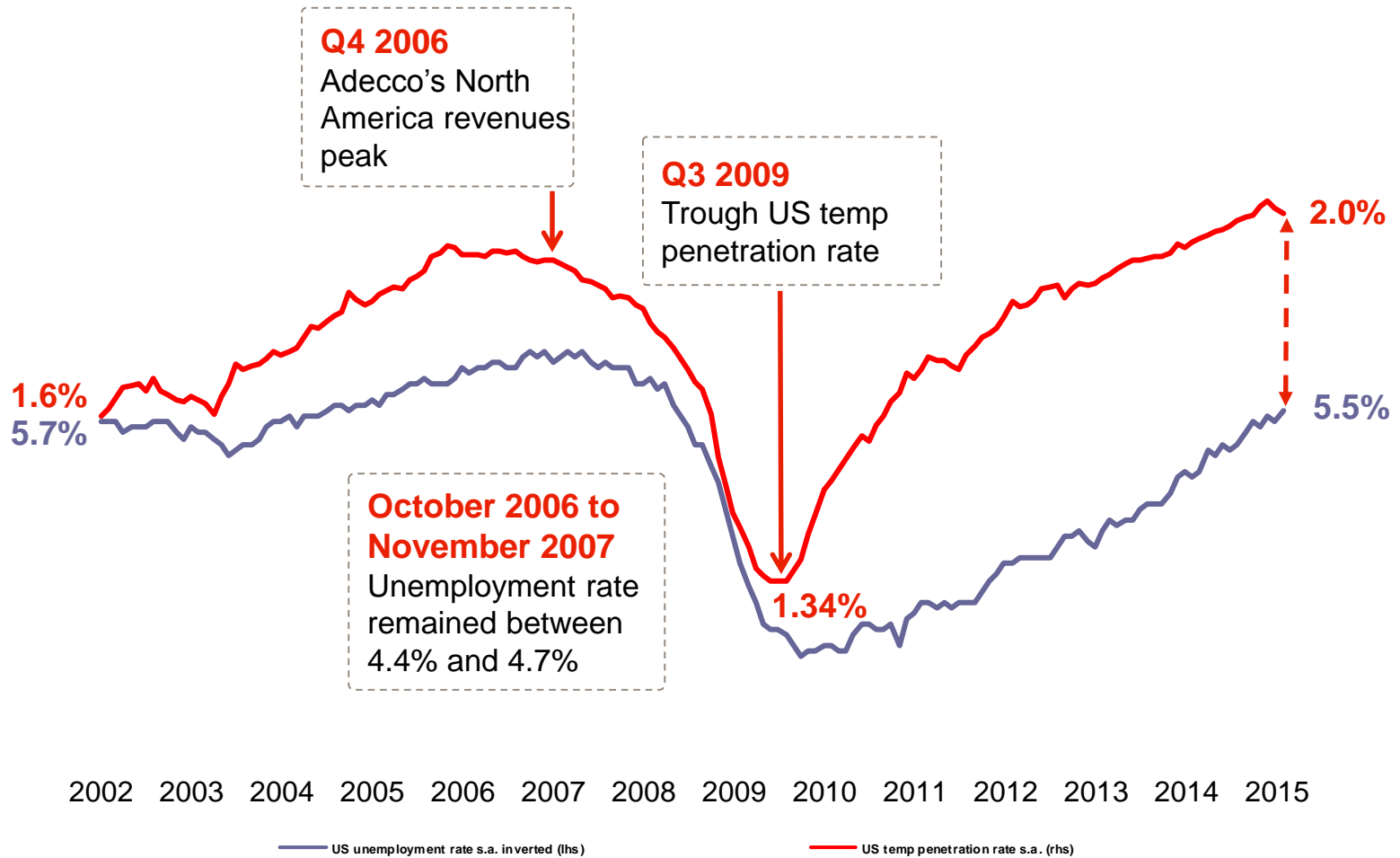
Our six strategic priorities

We strive to reach an EBITA margin above 5.5% in 2015



Structural shift to temporary staffing in current upturn

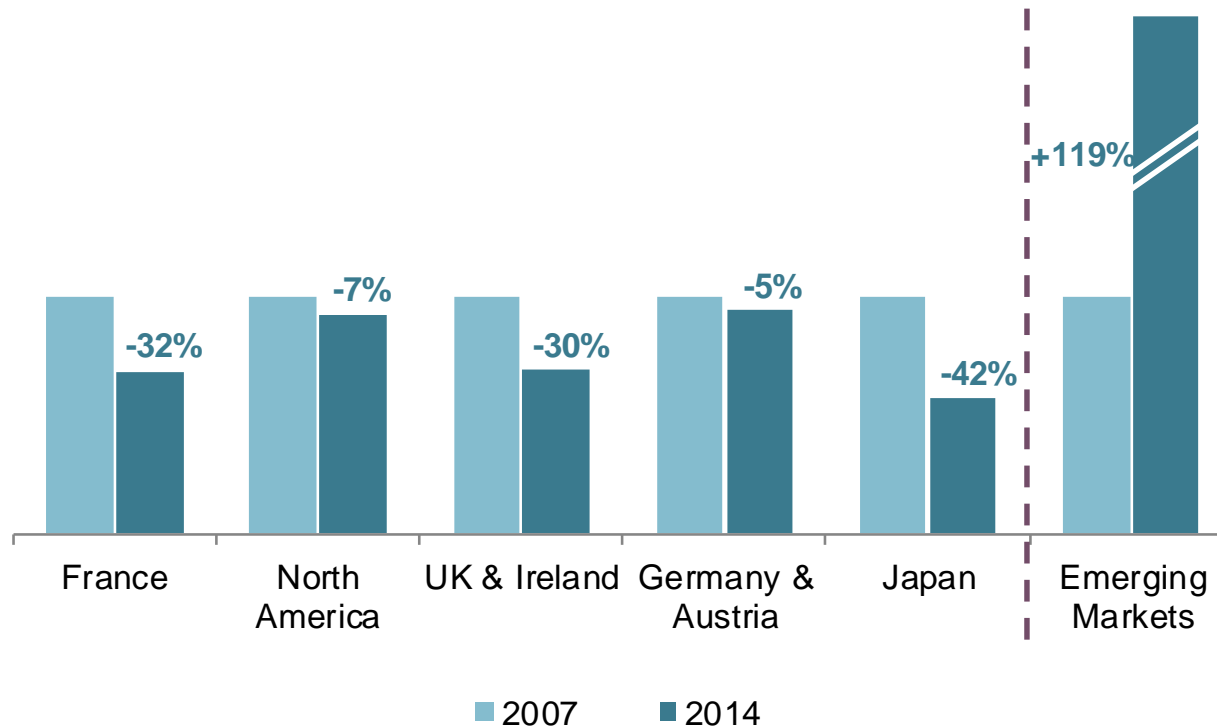
US temporary penetration rate vs. unemployment rate



Source: Bureau of Labor Statistics (BLS)

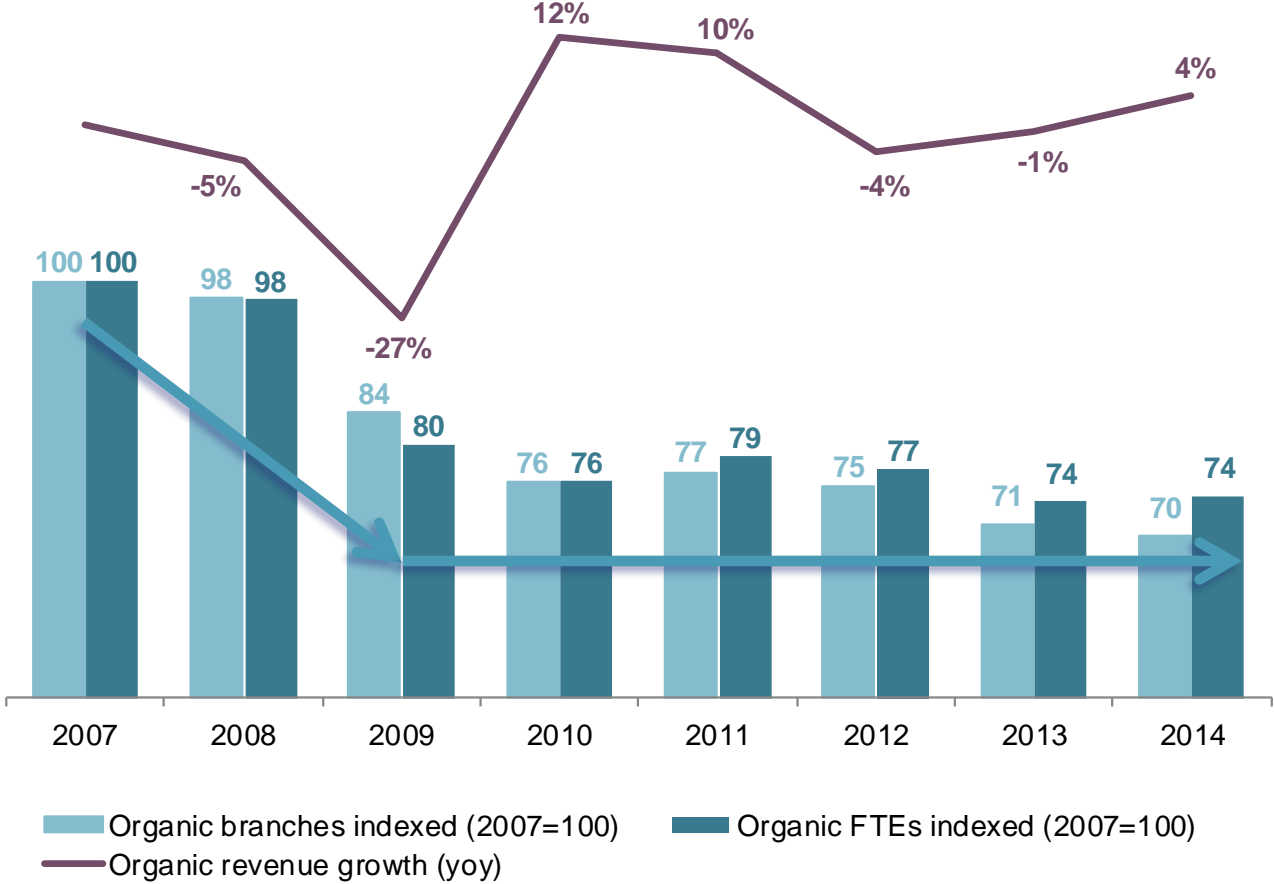
Revenue development since the Group's peak in 2007

Gap against the peak on an organic basis for the main markets



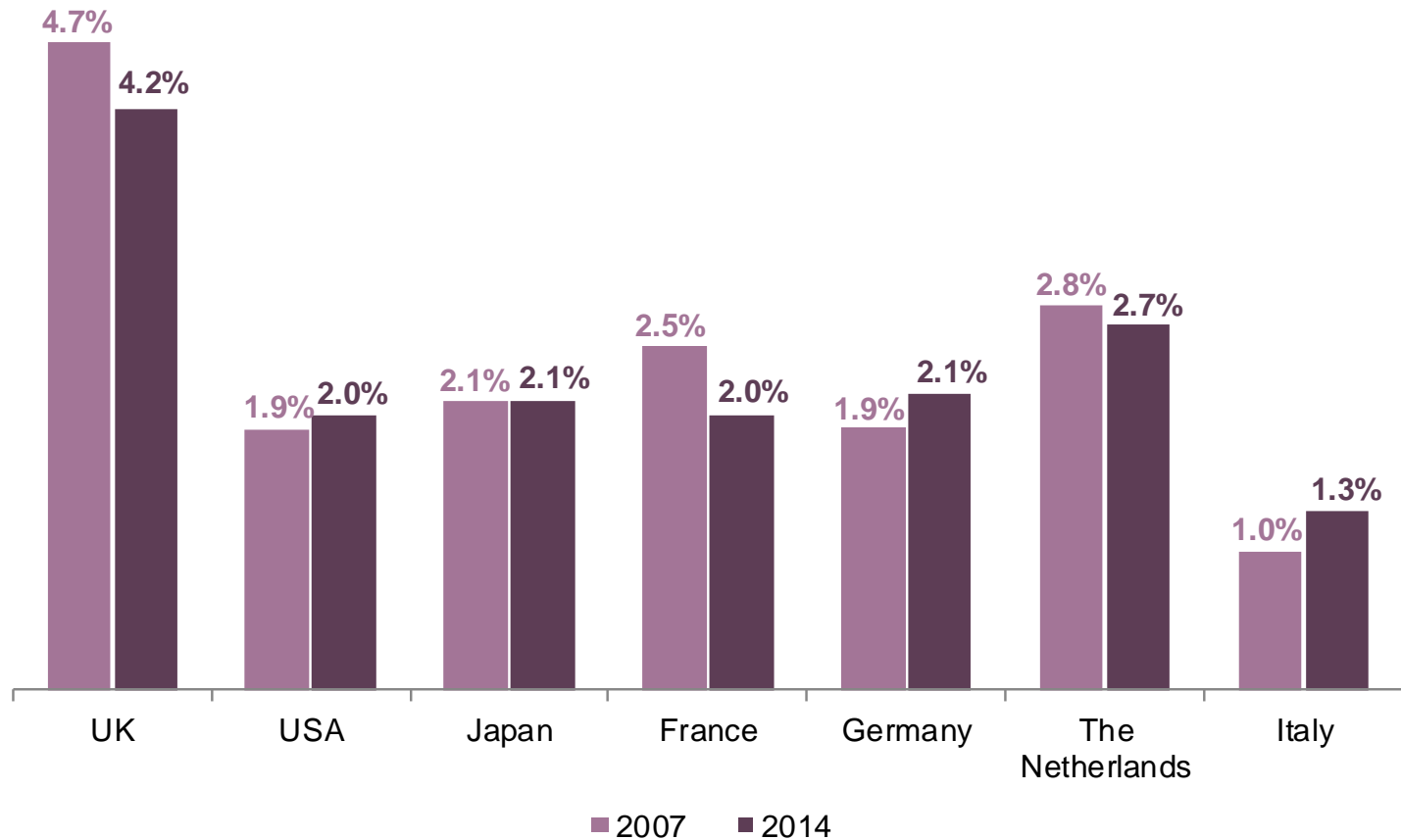
Revenues, branches and FTEs

Organic development (indexed)



Penetration rates

Main markets



Source: Eurociett, Bureau of Labor Statistics and Adecco estimate

Revenues and EBITA by segment

FY 2014 vs. FY 2013

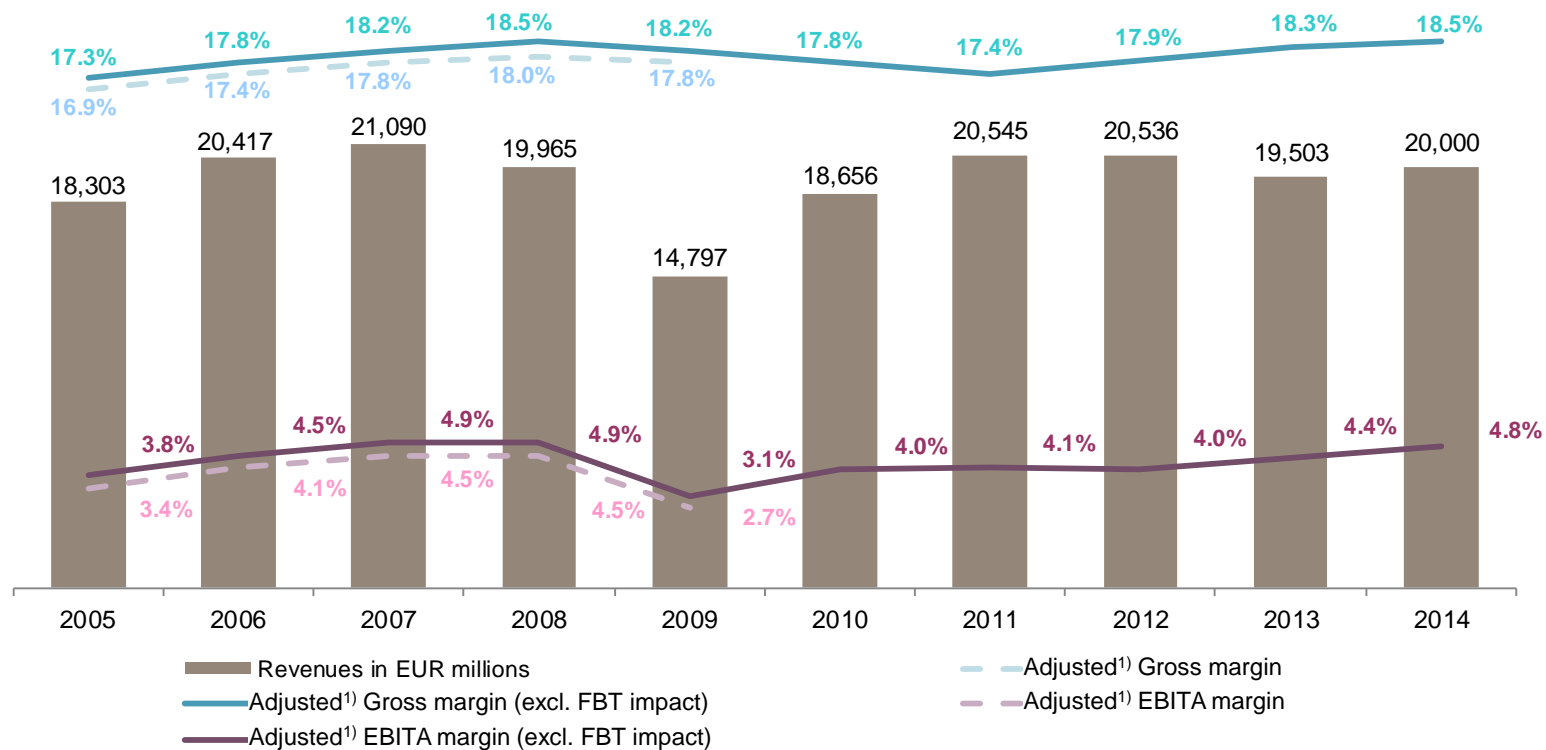
% of revenues		Revenues		EBITA excluding restructuring costs ^{1), 2)}		
		EUR millions	Organic change yoy	EUR millions	Margin	Margin change yoy
23%	France ^{1), 2)}	4,640	-2%	284	6.1%	100 bps
19%	North America ^{1), 2)}	3,854	4%	223	5.8%	110 bps
10%	UK & Ireland ¹⁾	2,061	3%	49	2.4%	30 bps
8%	Germany & Austria ²⁾	1,687	4%	91	5.4%	-10 bps
5%	Japan	1,032	2%	57	5.5%	-40 bps
6%	Italy	1,098	14%	65	5.9%	-10 bps
5%	Benelux	982	6%	45	4.5%	+30 bps
4%	Nordics ¹⁾	821	6%	23	2.9%	+20 bps
4%	Iberia ¹⁾	789	19%	31	3.9%	+90 bps
2%	Australia & New Zealand	350	-11%	0	0.1%	-180 bps
2%	Switzerland	427	3%	38	8.8%	+50 bps
10%	Emerging Markets ²⁾	1,925	11%	69	3.6%	+20 bps
2%	LHH ¹⁾	334	6%	98	29.3%	+110 bps
	Corporate			(108)		
100%	Adecco Group^{1), 2)}	20,000	4%	965	4.8%	40 bps

1) EBITA excluding restructuring costs in 2013 of EUR 19 million in France, EUR 6 million in North America, EUR 3 million in UK & Ireland, EUR 1 million in Nordics, EUR 2 million in Iberia and EUR 2 million in LHH.

2) EBITA excluding restructuring costs in 2014 of EUR 4 million in France, EUR 18 million in North America, EUR 14 million in Germany & Austria and EUR 1 million in the Emerging Markets.

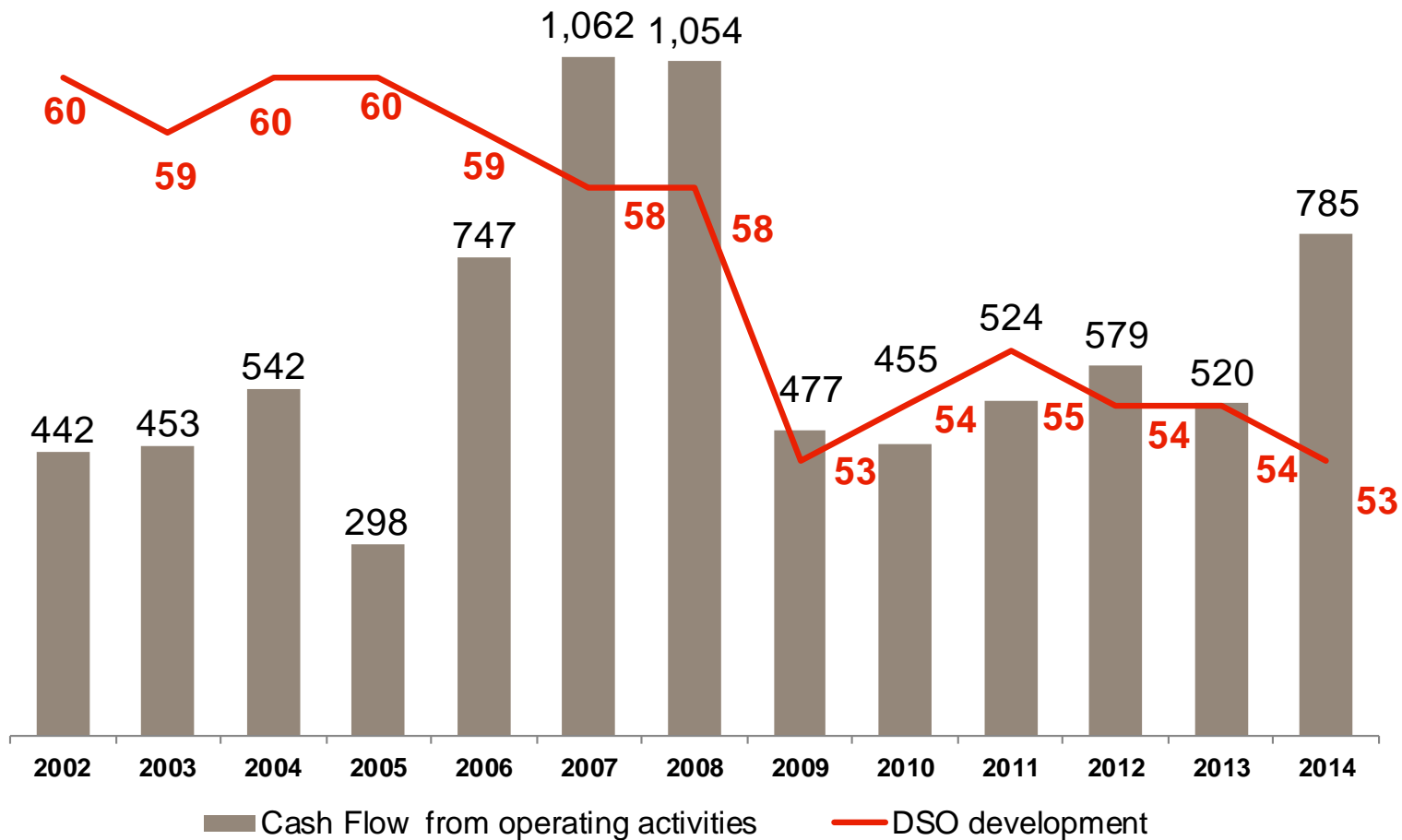
What we have achieved

Financial performance since 2005



1) Please refer to Slide 41 for details on adjustments

Cash flow and DSO development

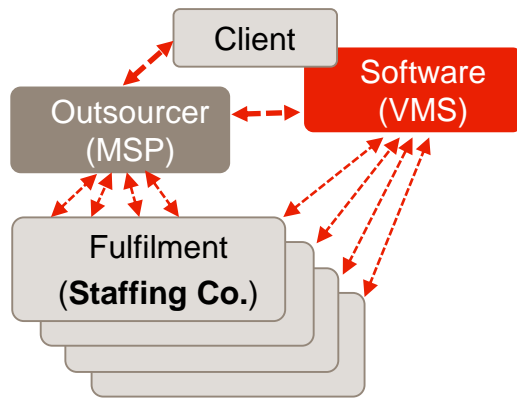


MSP, RPO, VMS...

Can someone help with the definitions please!

Managed Service Programmes (MSP)

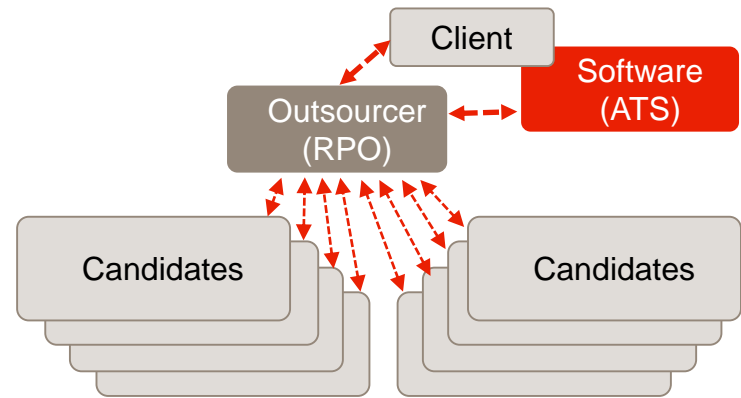
Clients outsource the management of **contingent workforce** to MSPs



- ▶ Outsourced procurement function, distinct from Master Vendor model
- ▶ MSP manages contingent workforce/staffing vendors
- ▶ Mostly works in conjunction with a VMS tool
- ▶ A VMS automates the processes of procuring people from staffing vendors, provides transparency into vendor costs and performance

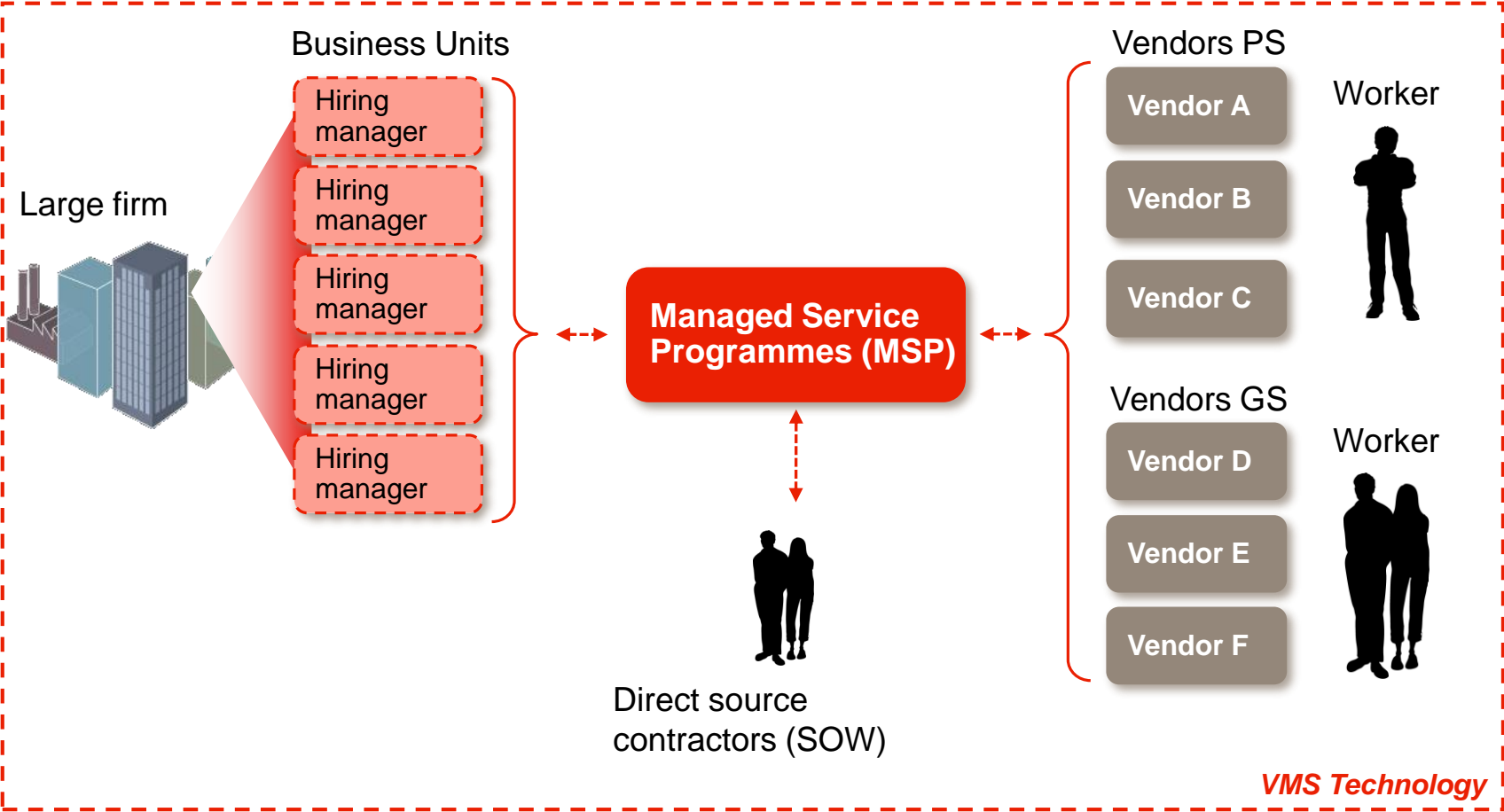
Recruitment Process Outsourcing (RPO)

Clients outsource the **permanent** recruiting process to RPOs



- ▶ Outsourced HR function, distinct from executive search and traditional permanent staffing
- ▶ RPO provides any or all in-house/corporate recruiting department services
- ▶ Mostly works in conjunction with a ATS tool
- ▶ An ATS collects and tracks candidate data, interview scheduling, reporting, provides transparency into candidate pipelining, hiring effectiveness

MSP Programmes manage the staffing supply chain



Notes to slide 37

Details on adjustments

For better comparison, figures for 2005, 2006, 2007, 2008 and 2009 are excluding the impact of the French business tax (FBT), which as of January 1, 2010 was reclassified as income tax under US GAAP.

2005 figures exclude on gross profit the negative impact of the French business tax of EUR 80 million and on EBITA the negative impact of the French business tax of EUR 84 million.

2006 figures exclude on gross profit the negative impact of the French business tax of EUR 86 million and on EBITA the negative impact of the French business tax of EUR 91 million.

2007 figures exclude on gross profit the positive impact of the modified calculation of the French social charges of EUR 172 million and exclude the negative impact of the French business tax of EUR 88 million. 2007 figures exclude on EBITA the positive impact of the modified calculation of the French social charges of EUR 156 million and the negative impact of expenses related to the French antitrust proceedings of EUR 15 million and of the French business tax of EUR 93 million.

2008 figures exclude on gross profit the positive impact of the modified calculation of French social charges of EUR 63 million and from restructuring charges of EUR 8 million as well as the negative impact of the French business tax of EUR 84 million. 2008 figures exclude on EBITA the positive impact of the modified calculation of the French social charges of EUR 63 million, the negative impact associated with headcount reductions and branch optimisation in France and other European countries of EUR 32 million and of the provision for the French antitrust procedure of EUR 19 million and of the French business tax of EUR 89 million.

2009 figures exclude on gross profit the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals and the negative impact of EUR 7 million due to a sales tax accrual in the UK related to prior years and of the French business tax of EUR 61 million. 2009 figures exclude on EBITA the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals, the negative impact of EUR 7 million due to a sales tax accrual in the UK related to prior years, the negative impact of EUR 121 million associated with restructuring costs and of the French business tax of EUR 65 million.

2010 figures exclude on EBITA the negative impact of EUR 33 million associated with integration costs of MPS in NA and the UK and integration costs of Spring in the UK.

2011 figures exclude on EBITA the negative impact of EUR 20 million associated with integration costs of MPS and DBM.

2012 figures exclude on EBITA the negative impact of EUR 83 million associated with restructuring costs in France and other countries as well as integration costs of EUR 5 million related to DBM.

2013 figures exclude on EBITA the negative impact of EUR 33 million associated with restructuring costs.

2014 figures exclude on EBITA the negative impact of EUR 37 million associated with restructuring costs.