



Q3 2016 Results

Adecco Group

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 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; 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 and impairment of goodwill and 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

Current trading

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Operational review

Alain Dehaze, Group CEO

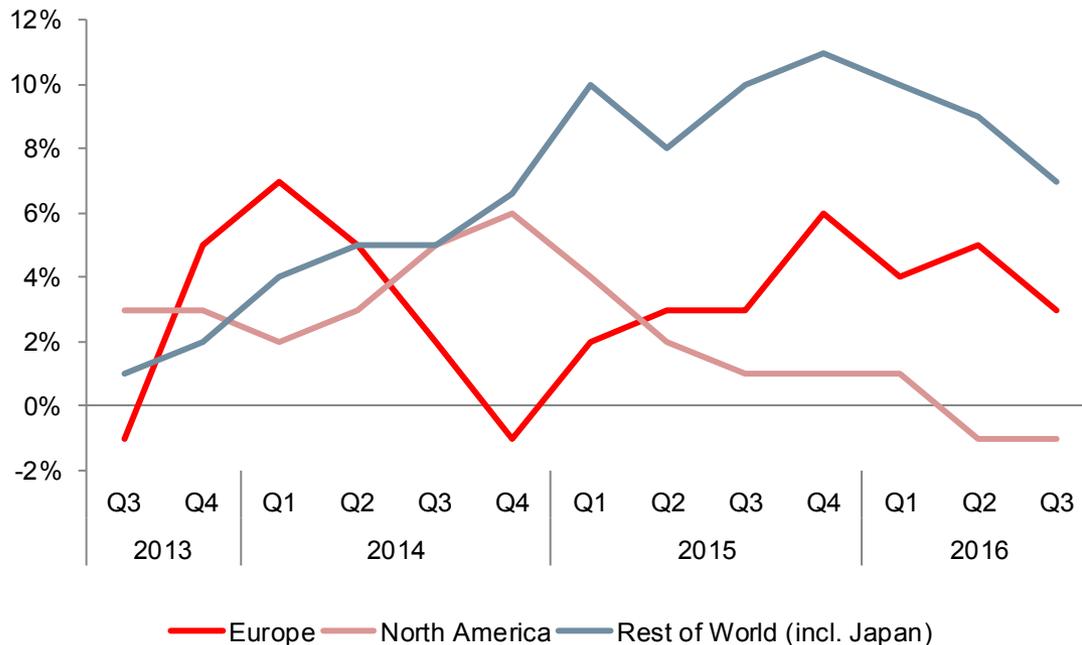
Highlights

Q3 2016

- ▶ Revenues EUR 5.8 billion, up 3% yoy organically
- ▶ Gross margin of 18.7%, down 20 bps
- ▶ SG&A excluding one-offs up 3% yoy organically
- ▶ EBITA excluding one-offs EUR 320 million
- ▶ EBITA margin excluding one-offs 5.5%, down 30 bps yoy
- ▶ Revenues in September up 4%, organically and adjusted for trading days

Revenue development by region¹⁾

Organic year-on-year change in percent



Europe grew by 3% in Q3 2016, compared to 5% in the previous quarter

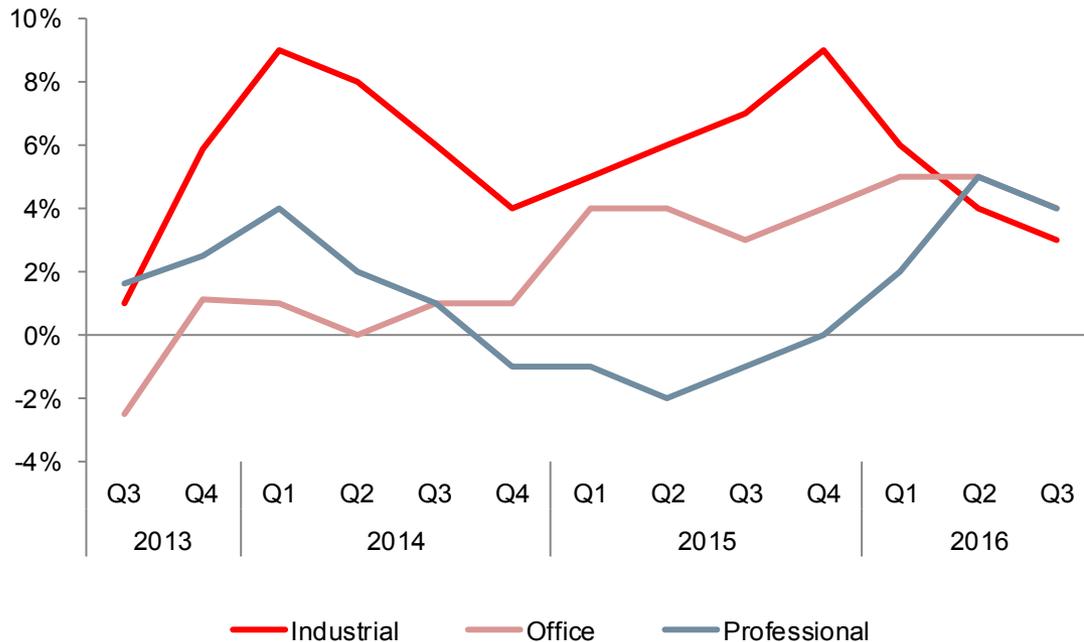
North America declined by 1% in Q3 2016, the same as in the previous quarter

Rest of World (incl. Japan) grew by 7% in Q3 2016 compared to 9% in the previous quarter

1) Excluding LHH.

Revenue development by business line¹⁾

Organic year-on-year change in percent



Industrial grew by 3% in Q3 2016 compared to 4% in the previous quarter

Office grew by 4% in Q3 2016 compared to 5% in the previous quarter

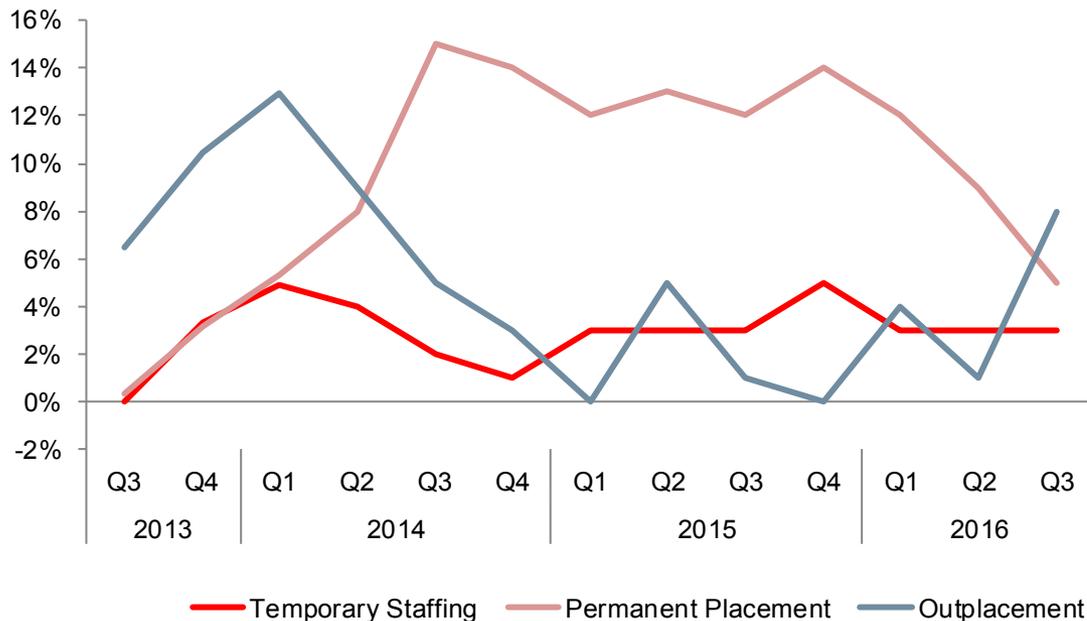
Professional Staffing grew by 4% in Q3 2016, compared to 5% in the previous quarter:

- IT: 5% (6% in Q2 2016)
- Engineering & Tech.: -1% (-2%)
- Finance & Legal: 2% (7%)
- Medical & Science: 11% (13%)

1) Excluding Solutions.

Revenue development by service line¹⁾

Organic year-on-year change in percent



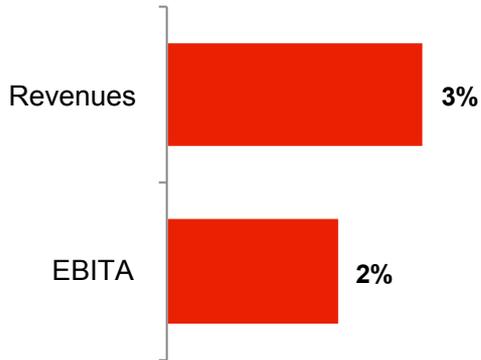
- Temporary staffing revenues grew by 3% in Q3 2016 the same as in the previous quarter
- Permanent placement revenues grew by 5% in Q3 2016 compared to 9% in the previous quarter
- Outplacement revenues grew by 8% in Q3 2016 compared to 1% in the previous quarter

1) Excluding Outsourcing and Other.

France

22% of group revenues in Q3 2016

Q3 yoy growth



EBITA margin



Revenues EUR 1,301 million, up 3% yoy
Perm revenues were up 22%



EBITA EUR 94 million
EBITA margin down 10 bps

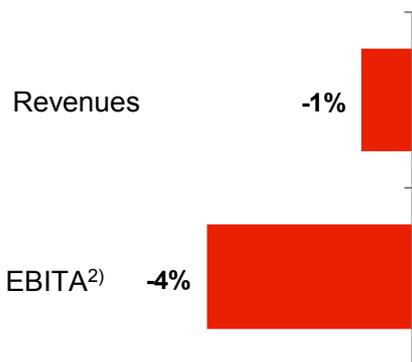


In September, revenue growth adjusted for trading days accelerated slightly compared to Q3

North America

20% of group revenues in Q3 2016

Q3 yoy growth¹⁾



EBITA²⁾ margin



Revenues EUR 1,171 million, down 1% yoy in constant currency



EBITA excluding restructuring costs EUR 72 million

EBITA margin excluding restructuring costs down 20 bps



In September, the revenue decline adjusted for trading days was similar to Q3

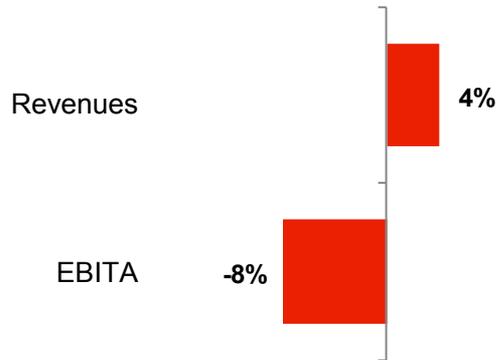
1) Growth rates are in constant currency.

2) In Q3 2016, EBITA is excluding restructuring costs of EUR 5 million.

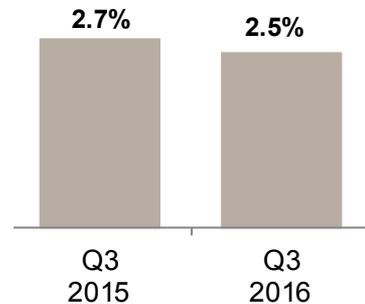
UK & Ireland

9% of group revenues in Q3 2016

Q3 yoy growth¹⁾



EBITA margin



Revenues EUR 543 million, up 4% yoy organically



EBITA EUR 14 million
EBITA margin down 20 bps



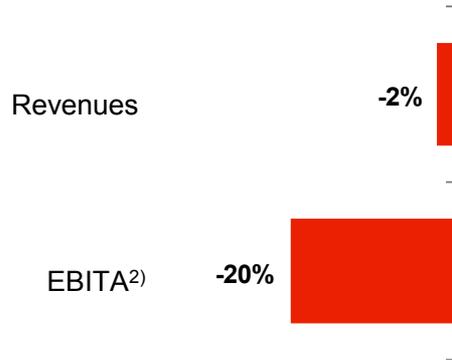
In September, organic revenue growth adjusted for trading days accelerated slightly compared to Q3

1) Growth rates are organic.

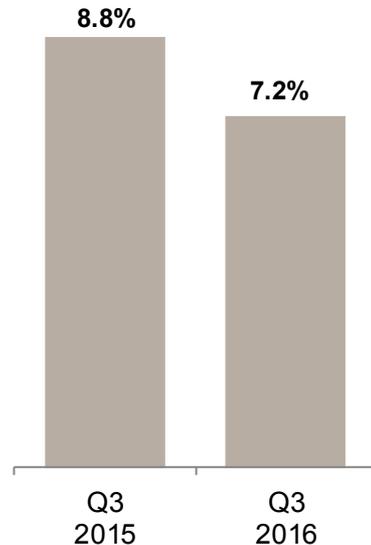
Germany, Austria, Switzerland

10% of group revenues in Q3 2016

Q3 yoy growth¹⁾



EBITA²⁾ margin



Revenues EUR 564 million, down 2% yoy
Germany & Austria down 2%
Switzerland down 3%

EBITA excluding restructuring costs
EUR 41 million
EBITA margin down 160 bps

In September, revenue growth adjusted for
trading days was similar to Q3 overall

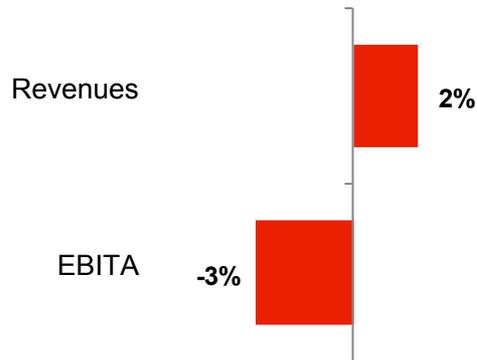
1) Growth rates are in constant currency.

2) In Q3 2016, EBITA is excluding restructuring costs of EUR 13 million.

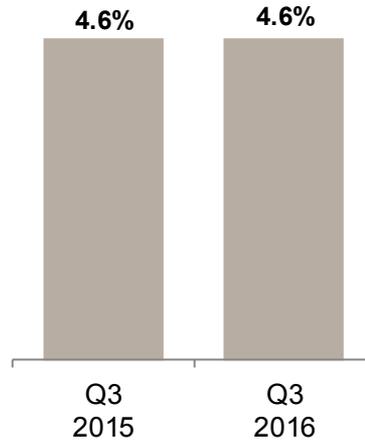
Benelux & Nordics

8% of group revenues in Q3 2016

Q3 yoy growth¹⁾



EBITA margin



Revenues EUR 487 million, up 2% yoy in organically



EBITA EUR 22 million

EBITA margin at 4.6%, flat compared to last year



In September, organic revenue growth adjusted for trading days was similar to Q3

1) Growth rates are organic.

Revenues and EBITA by segment

Q3 2016 vs. Q3 2015

% of revenues	Revenues			EBITA ¹⁾		
	EUR millions	Organic change yoy	EUR millions	Margin	Margin change yoy	
22%	France	1,301	3%	94	7.2%	-10 bps
20%	North America	1,171	-1%	72	6.2%	-20 bps
9%	UK & Ireland	543	4%	14	2.5%	-20 bps
10%	Germany, Austria, Switzerland	564	-2%	41	7.2%	-160 bps
8%	Benelux and Nordics	487	2%	22	4.6%	0 bps
6%	Italy	372	13%	30	8.3%	90 bps
6%	Japan	334	2%	20	6.1%	30 bps
5%	Iberia	256	8%	9	3.4%	-80 bps
12%	Rest of World	678	10%	19	2.7%	-60 bps
2%	Lee Hecht Harrison ¹⁾	105	5%	27	25.3%	-110 bps
	Corporate ¹⁾			(28)		
100%	Adecco Group¹⁾	5,811	3%	320	5.5%	-30 bps

1) In Q3 2016, excluding one-offs of EUR 5 million in North America, EUR 13 million in Germany, Austria and Switzerland, and EUR 5 million in Rest of World, and excluding integration costs of EUR 3 million in Lee Hecht Harrison. In Q3 2015, excluding integration costs of EUR 3 million in Lee Hecht Harrison.

Financial review

Hans Ploos van Amstel, Group CFO

Q3 2016 – P&L

In EUR millions

EUR millions except share and per share information	Q3		Variance %	
	2016	2015	EUR	Constant Currency
Revenues	5,811	5,673	2%	4%
Gross profit	1,088	1,075	1%	2%
EBITA excluding one-offs	320	329	-3%	-2%
EBITA	294	326	-10%	-9%
Operating income/(loss)	285	(425)	n.m.	n.m.
Income/(loss) before income taxes	250	(433)	n.m.	
Net income/(loss)	174	(513)	n.m.	
Net income/(loss) attributable to Adecco shareholders	173	(513)	n.m.	
Basic earnings per share	1.02	(2.98)	n.m.	
Diluted earnings per share	1.02	(2.98)	n.m.	

Revenues up 4% in constant currency, 3% organically

EBITA excluding one-offs down 2% in constant currency

Net income in Q3 2015 negatively impacted by impairment of goodwill

Sequential revenue analysis

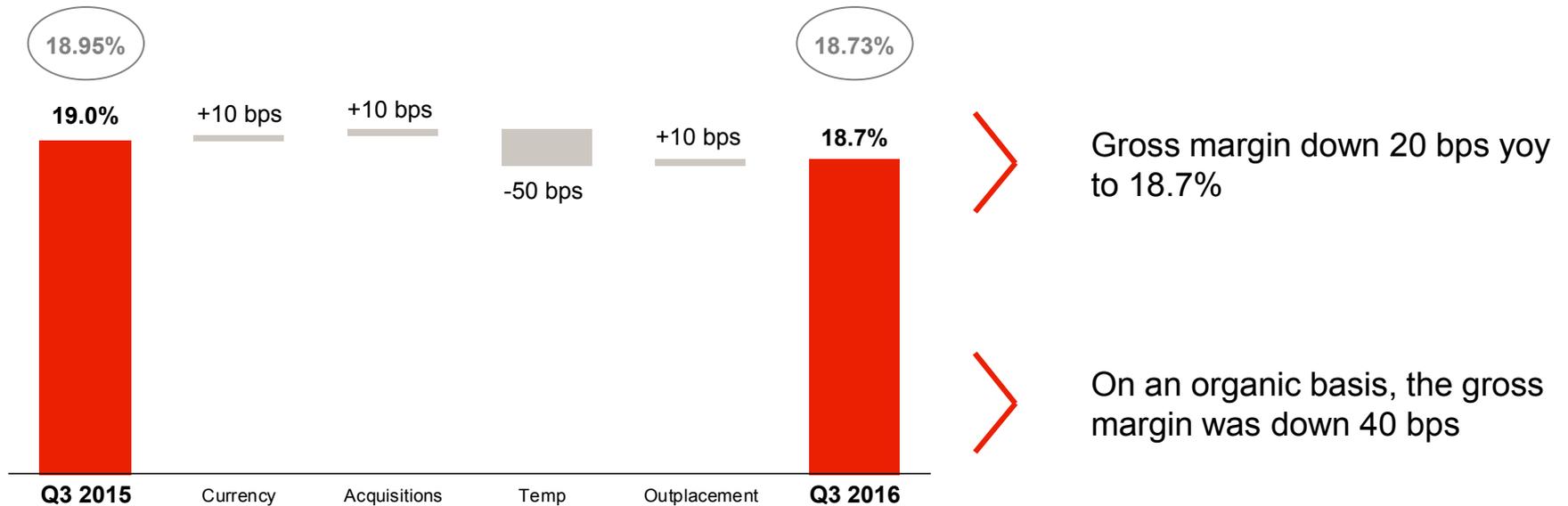
Adecco Group	Q1	Q2	Q3	Q4
2008	+	---	-	---
2009	---	---	=	=
2010	++	+	+	+
2011	+	=	=	=
2012	-	-	-	-
2013	=	=	=	=
2014	=	=	-	=
2015	+	=	-	=
2016	=	=	=	

- +** Above long-term growth trend¹⁾
- =** In line with long-term growth trend¹⁾
- Below long-term growth trend¹⁾

1) Long-term growth trend is the 12-year median of sequential growth for the relevant quarter, adjusted for currency, acquisitions, divestitures and trading days.

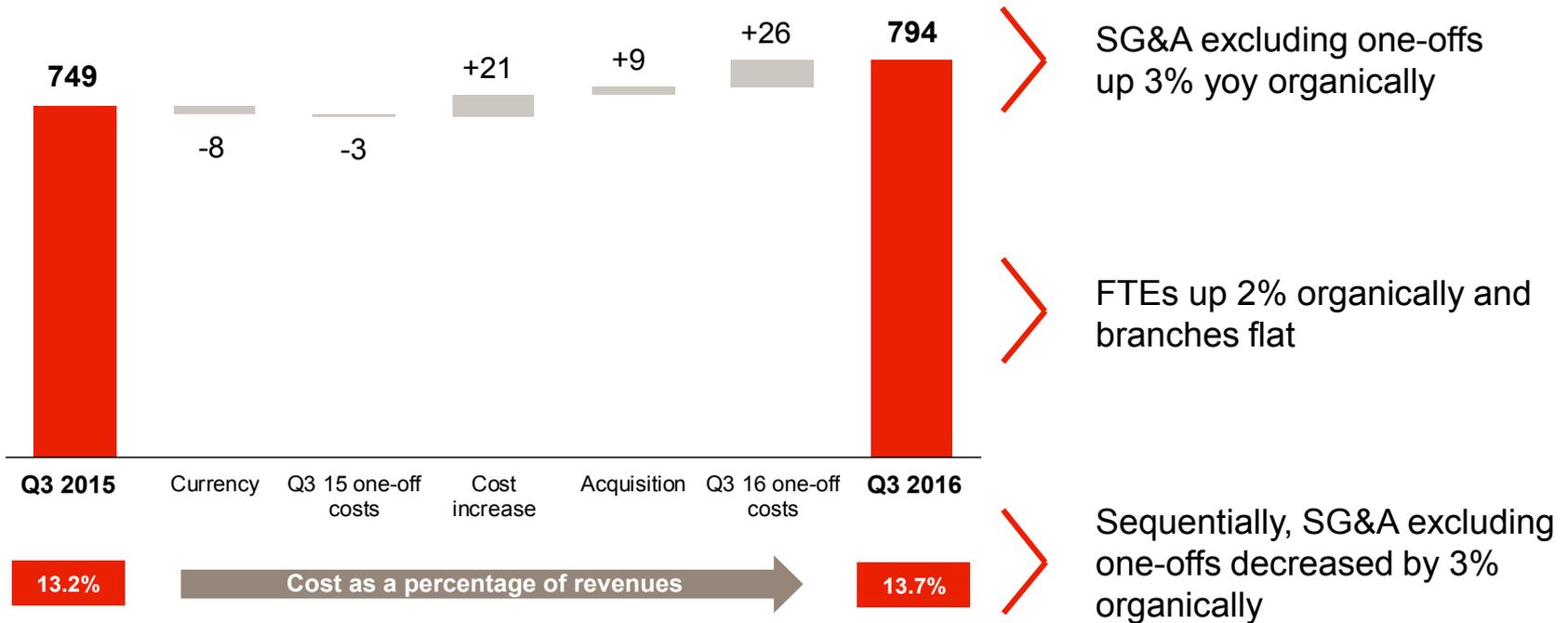
Q3 2016 gross margin drivers

As percentage of revenues



Q3 2016 SG&A movements

In EUR millions



Q3 2016 – Cash flow statement

In EUR millions

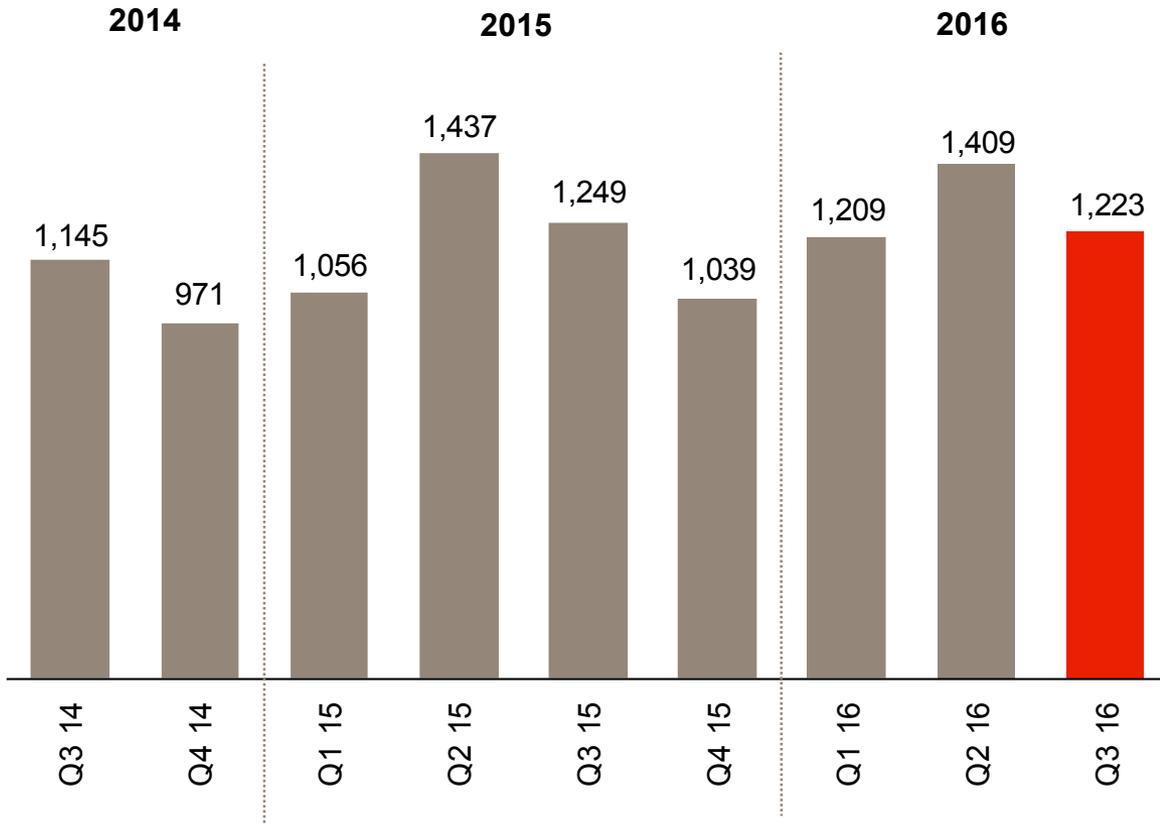
EUR millions	Q3	
	2016	2015
Cash flows from operating activities		
Net income/(loss)	174	(513)
Adjustments to reconcile net income/(loss) to cash flows from operating activities:		
– Depreciation and amortisation	30	35
– Impairment of goodwill		740
– Other charges	45	25
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(114)	(28)
– Accounts payable and accrued expenses	145	80
– Other assets and liabilities	(63)	(46)
Cash flows from operating activities	217	293
Cash used in investing activities	(30)	(26)
Cash used in financing activities	(57)	(228)
Effect of exchange rate changes on cash	(6)	(18)
Net increase in cash and cash equivalents	124	21
Cash and cash equivalents:		
– Beginning of period	948	1,123
– End of period	1,072	1,144

Q3 2016 cash flows from operating activities of EUR 217 million

In Q3 2016, cash flows used in investing activities included EUR 18 million capital expenditures

Net debt development

In EUR millions



Q3 2016 Net Debt / EBITDA¹⁾ of 1.0x

1) Last 4 quarters EBITDA, calculated as: EBITA excluding one-offs plus depreciation.

Current trading

Alain Dehaze, Group CEO

Current trading

Adecco Group:
In September, revenue growth
was 4%, organically and
adjusted for trading days

Europe:
September exit rate
accelerated slightly vs. Q3
in France and UK & Ireland

North America:
September exit rate
similar to Q3

Rest of the World:
September exit rate slightly
below Q3 in Japan

Question & Answers