



THE ADECCO GROUP

Making the Future Work

Capital Markets Day 2017

London

Agenda

Welcome	10.00	Lunch	12.00-13.00
1. Vision	10.00-11.30	7. Strategy in Action	13.00-14.00
2. Ambition		8. Digital Breakouts	14.00-16.00
3. Strategy		9. Role in Society	16.00-16.30
4. Outcomes		10. Concluding Messages	
5. Q&A	11.30-12.00	11. Q&A	16.30-17.00
6. Current Trading		Drinks	17.00-18.30



THE ADECCO GROUP

Making the Future Work for everyone



THE ADECCO GROUP

1. Vision

What does Making the Future Work mean? Opportunities



Global
megatrends
are changing
the world of
work



The Adecco
Group
is taking the
lead in this
transformation

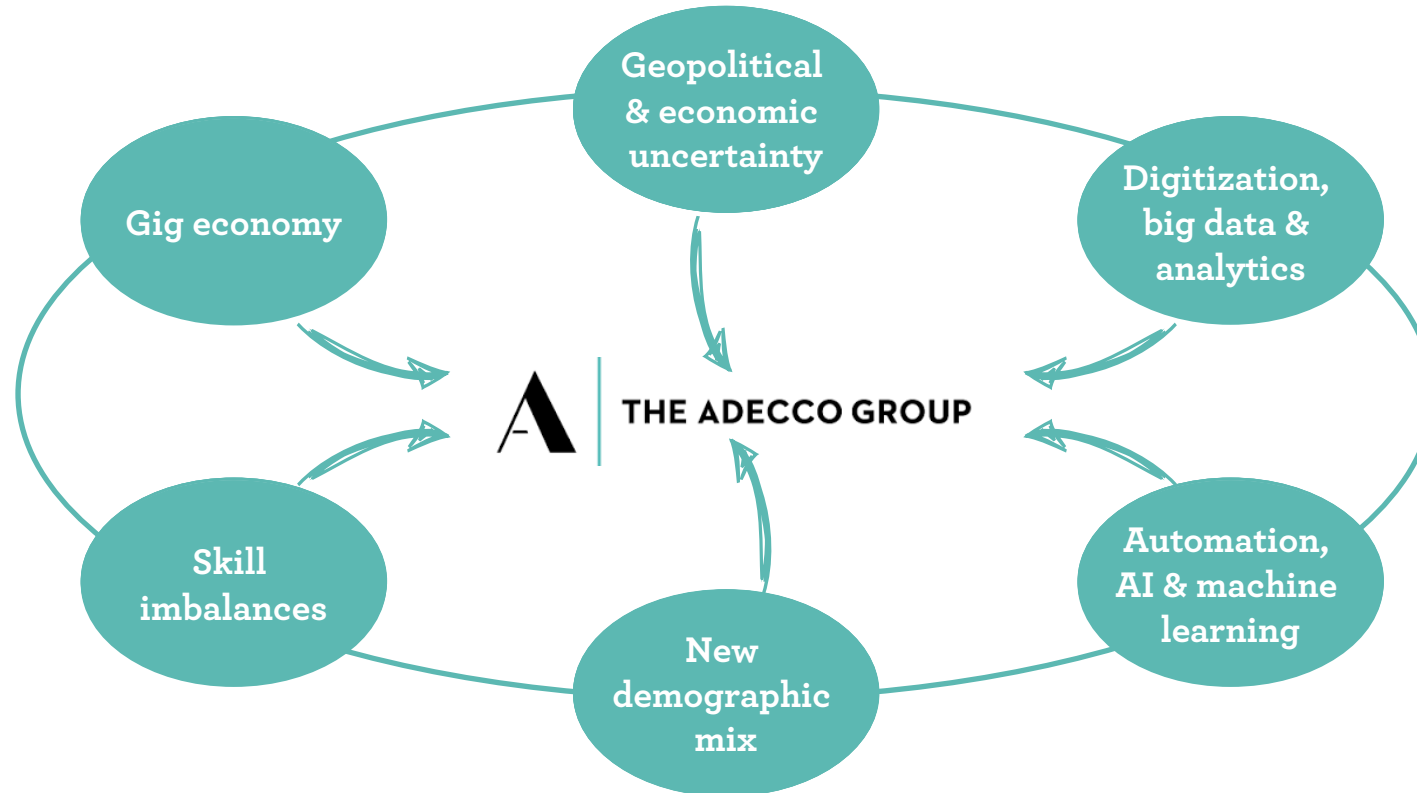


New
employment
models bring
exciting growth
opportunities



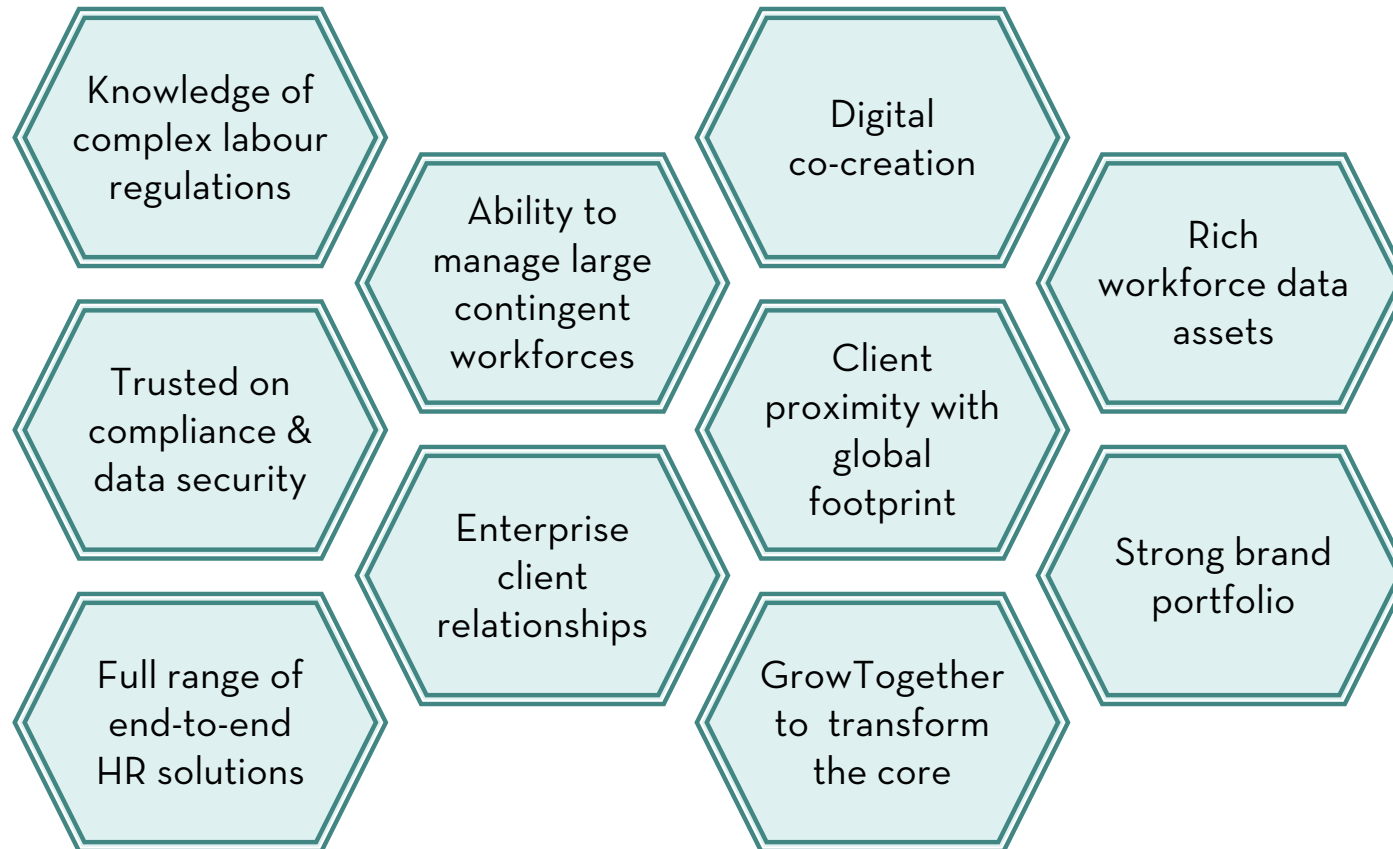
Higher value,
lower costs will
drive total
shareholder
returns

Megatrends are re-shaping the world of work and support our future growth



We will capitalise on the megatrends, by building on our strengths and driving true differentiation

Our competitive strengths



Our competitive landscape





THE ADECCO GROUP

2. Ambition

How we are going to make the future work for the Adecco Group

1

Perform

Keep delivering on operating discipline,
strong cash flow generation, and progressive dividend

2

Transform

Drive growth by
adapting our core business
to differentiate and take
profitable market share

GrowTogether

3

Innovate

Capture new growth opportunities,
leveraging favourable
megatrends and expanding
into 'new frontiers'

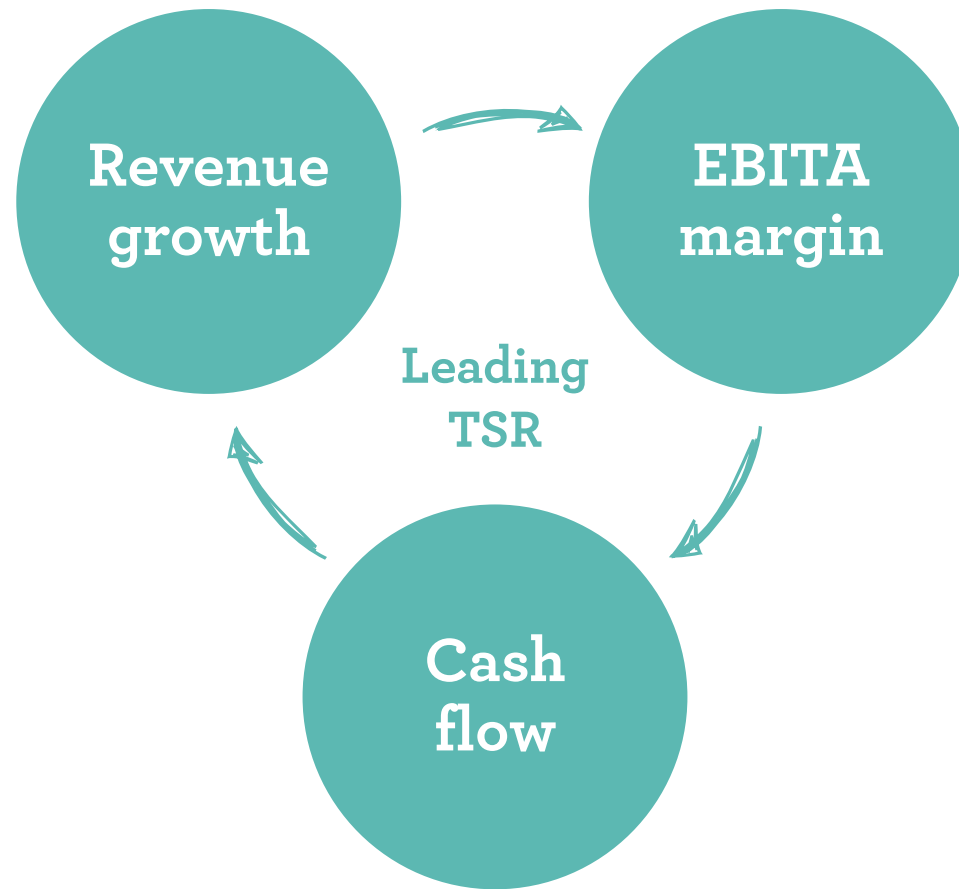
Digital Ventures

Strategic pillars drive growth and differentiation

	GrowTogether	Digital Ventures
Objective	Strengthen the core of our business	Add new profitable businesses
Goal	Accelerate profitable growth Improve client & candidate experience Enhance productivity through omni-channel	New adjacent revenue streams Margin enhancement
Measures of success	Market share Client & candidate NPS Cost to serve	Revenues from new markets Client & candidate NPS Margin enhancement

What does this mean for our investment story?

More growth, stronger margin, progressive dividend



Our commitments to deliver leading Total Shareholder Return

Deliver leading Total Shareholder Return

	Drive revenue growth	Strengthen margin	Deliver strong cash flow
Our commitments	Accelerate structural organic revenue growth	Drive sustained EBITA margin improvement	Maintain a progressive dividend policy
By 2020	Increase GDP multiplier (from 3x to 4x)	EUR 250m p.a. productivity savings (100bps as % of revs.)	Achieve continued strong FCF after investments
	Profitable share gains Expanding to 'new frontiers'	Productivity improvements Digital ventures mix benefits	Value-enhancing M&A and/or capital returns



THE ADECCO GROUP

3. Strategy

We must respond to candidates' needs and clients' demands

Candidates' needs

“work-study programmes”
“continuous evolution”
“close relationship... trust”
“everything online... switching to use apps”
“flexibility... work-life balance”
“social reputation”
“seeing my skills... advice and direction”
“creating the ideal job”

Clients' demands

“find new skills”
“act as a partner”
“provide flexibility”
“ease of communication”
“speed of response”
“support international expansion”
“reduce administrative work”
“offer consulting and training”

Our strategic agenda is to Perform, Transform and Innovate






Strategic agenda:

Strategic focus areas:






General Staffing: Omni-channel approach and digitisation will create differentiation and drive profitable growth



Why 	What 	How 
<ul style="list-style-type: none">• Good growth prospects• More workforce flexibility• Significant scope to expand market share	<ul style="list-style-type: none">• Greater differentiation• Omnichannel approach• Enhanced candidate and client experience	<ul style="list-style-type: none">• AI and automation (e.g. Mya)• Digital solutions for small clients (e.g. Adia)• Standardize internal processes




Professional Staffing: Focus on most attractive verticals



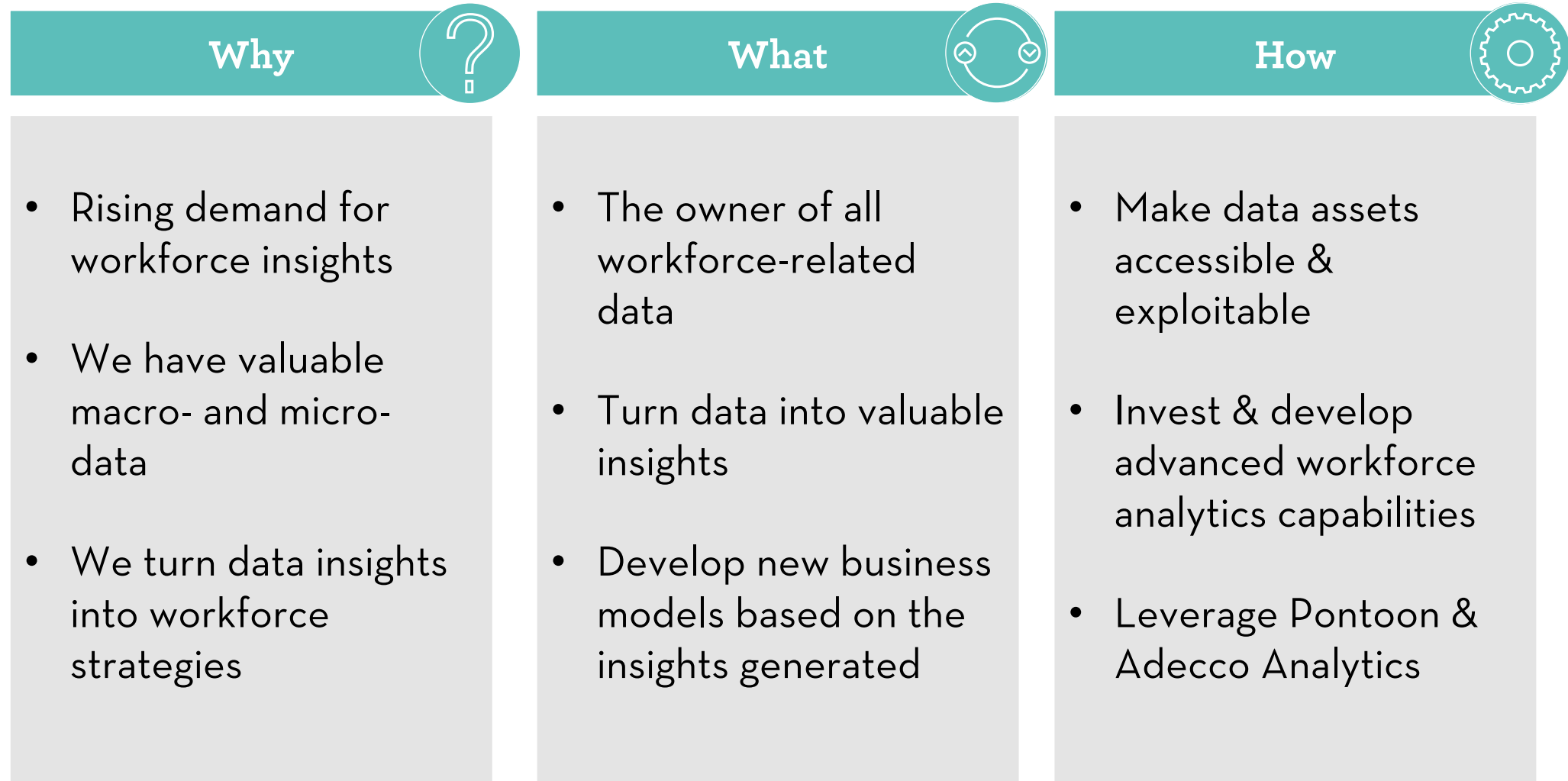
Why 	What 	How 
<ul style="list-style-type: none">• Positive megatrends:<ul style="list-style-type: none">- skills imbalances- demographics- Gig Economy• Different verticals, strong brands	<ul style="list-style-type: none">• International brands for IT & Engineering• Local brands in Legal, Finance, and Medical• Gig economy solutions & digital innovations within perm	<ul style="list-style-type: none">• Existing brands & technology (e.g. Special Counsel + D4)• ‘Staff augmentation’ (e.g. VSN in Japan)• Strategic M&A (e.g. BioBridges)

Talent Development & Transition: Add skills development to career transition leadership



Why 	What 	How 
<ul style="list-style-type: none">• Positive megatrends<ul style="list-style-type: none">- automation- skills imbalances• Career transition and adjacent re-skilling market are attractive	<ul style="list-style-type: none">• Further strengthen career transition• Develop leading talent development and re-skilling businesses• Develop organically & by selective M&A	<ul style="list-style-type: none">• Drive innovation and unique hybrid services• “Translator” - private sector, government & candidate• Large-scale reskilling transformations

Total Talent Solutions: Leverage our insights and rich data assets



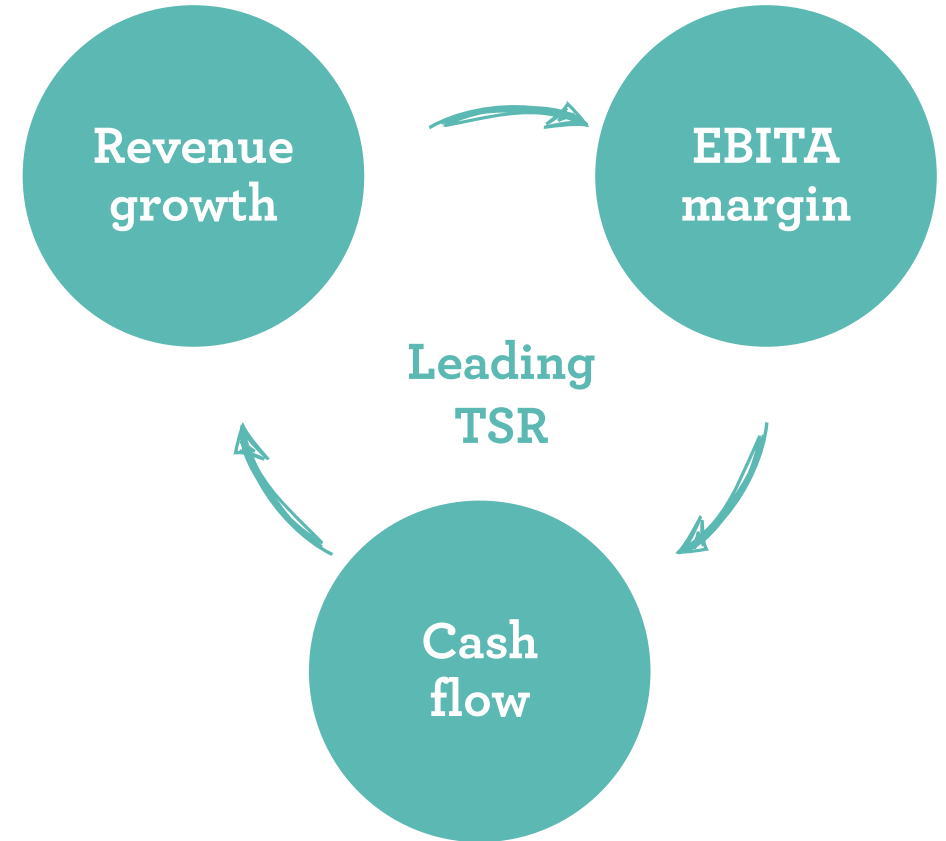
Conclusions: positive megatrends, strategy to capture opportunities



Global
megatrends
are changing
the world of
work



The Adecco
Group
is taking the
lead in this
transformation





THE ADECCO GROUP

4. Outcomes

Our commitments to deliver leading Total Shareholder Return

Deliver leading Total Shareholder Return

	1	2	3
	Drive revenue growth	Strengthen margin	Deliver strong cash flow
Our commitments	Accelerate structural organic revenue growth	Drive sustained EBITA margin improvement	Maintain a progressive dividend policy
By 2020	Increase GDP multiplier (from 3x to 4x)	EUR 250m p.a. productivity savings (100bps as % of revs.)	Achieve continued strong FCF after investments
	Profitable share gains Expanding to 'new frontiers'	Productivity improvements Digital ventures mix benefits	Value-enhancing M&A and/or capital returns

The journey has started

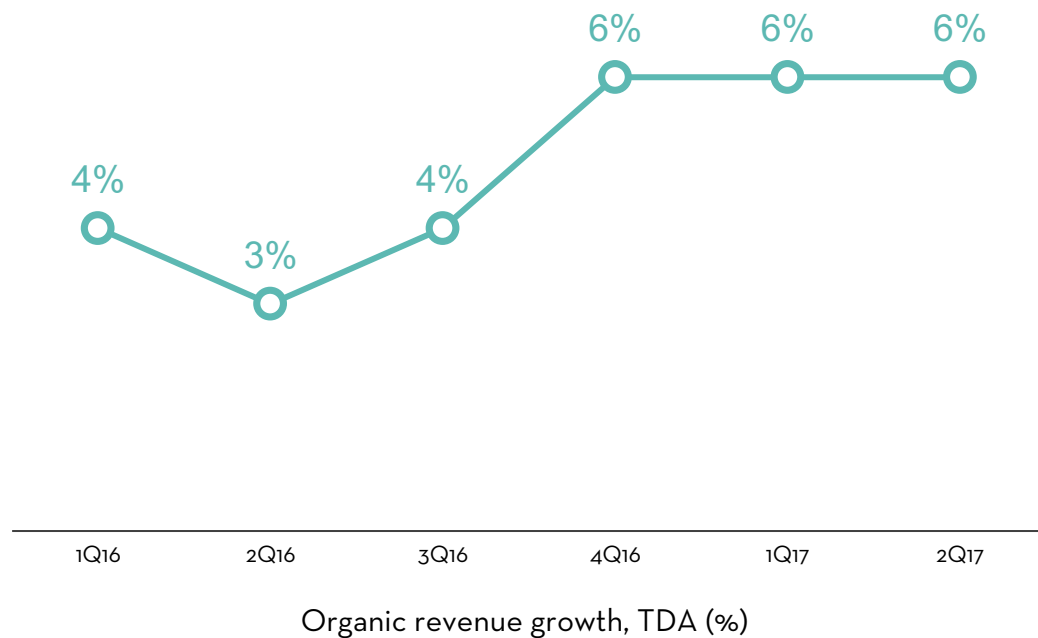


Revenue growth has improved in 2016-17

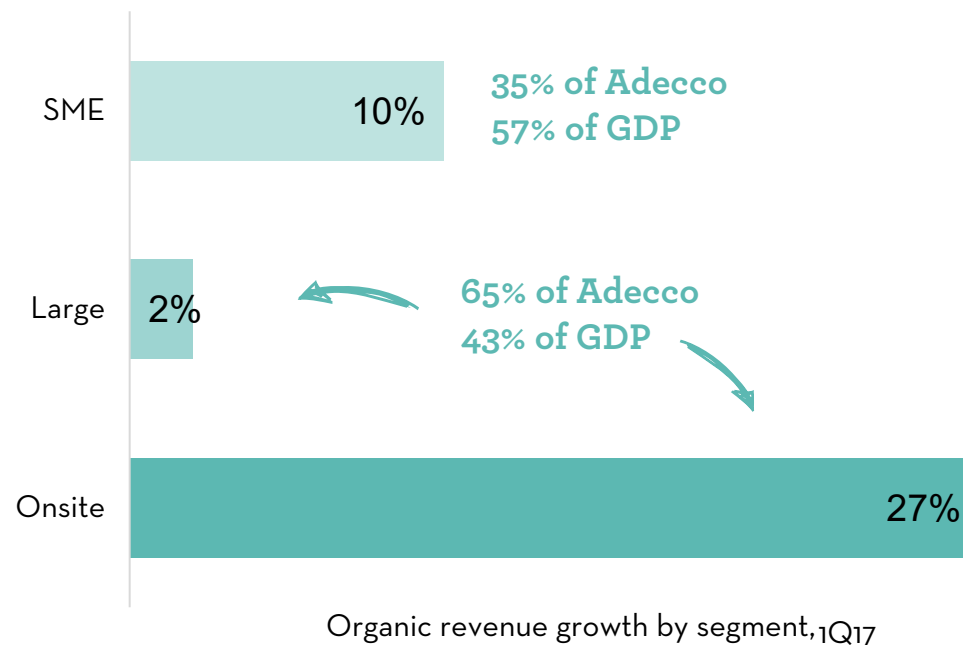
1

Drive revenue growth

Organic revenue growth has accelerated:



Strategy into action drives growth:



GrowTogether & Digital Ventures will accelerate the growth

1

Drive revenue growth

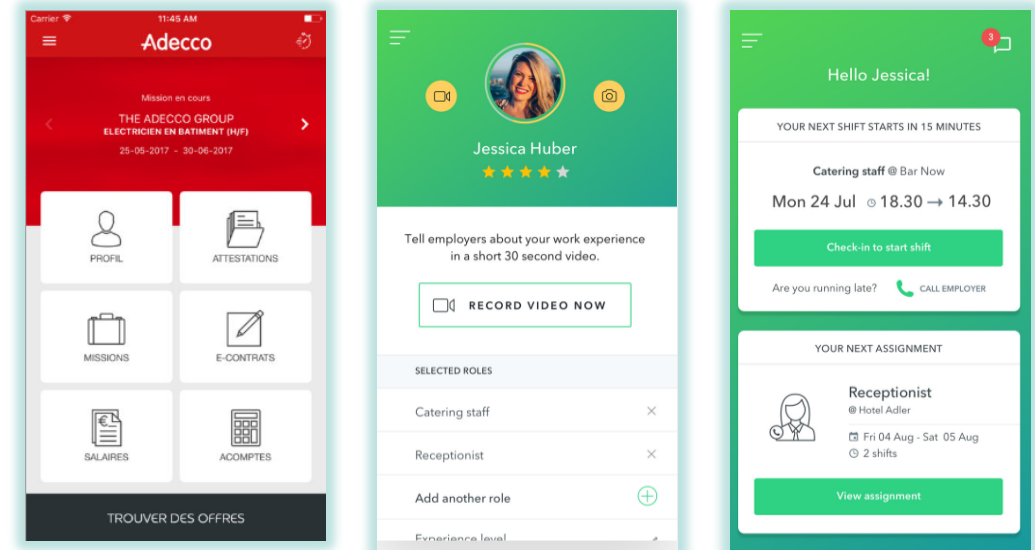
Transform with GrowTogether

From this...



Digital Ventures will further accelerate growth

...to this



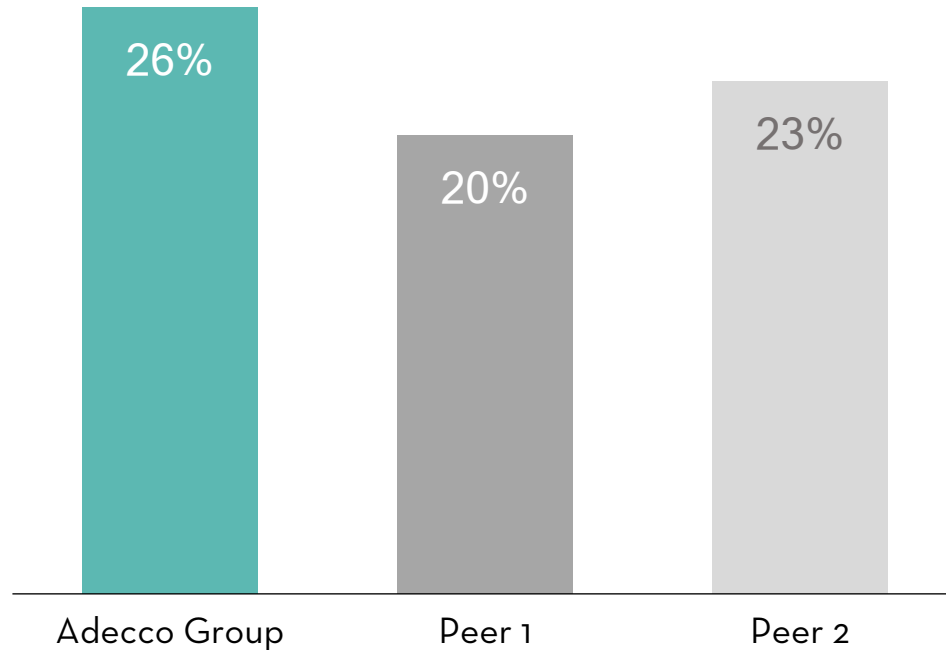
Leading profitability maintained while making strategic investing

2

Strengthen margin

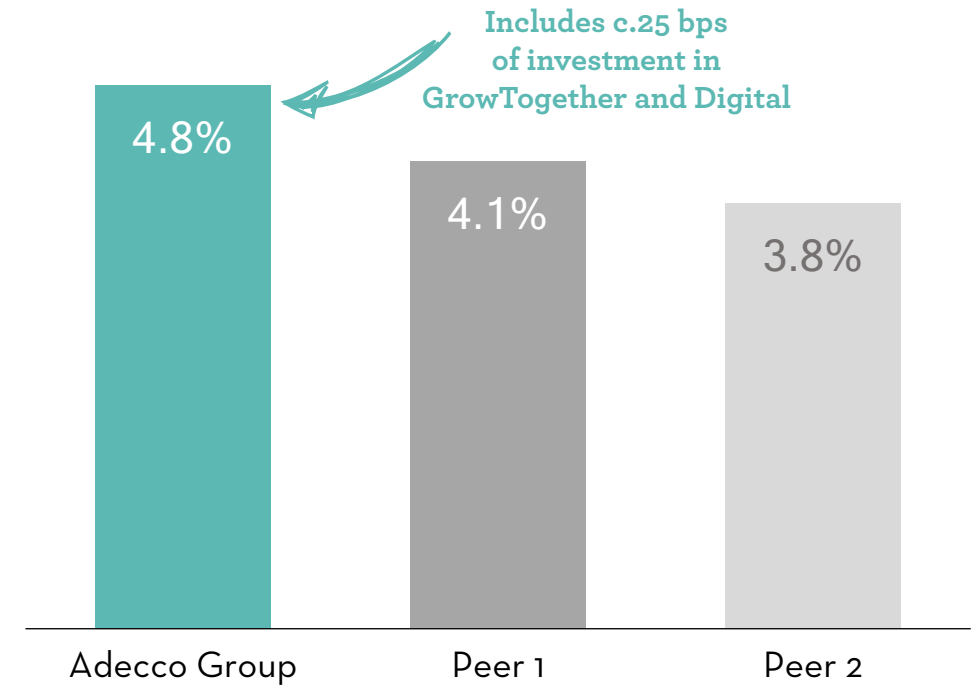
Performing with conversion leadership

EBITA conversion ratio H1 2017



Leading EBITA margin includes investment

Adjusted EBITA margin H1 2017



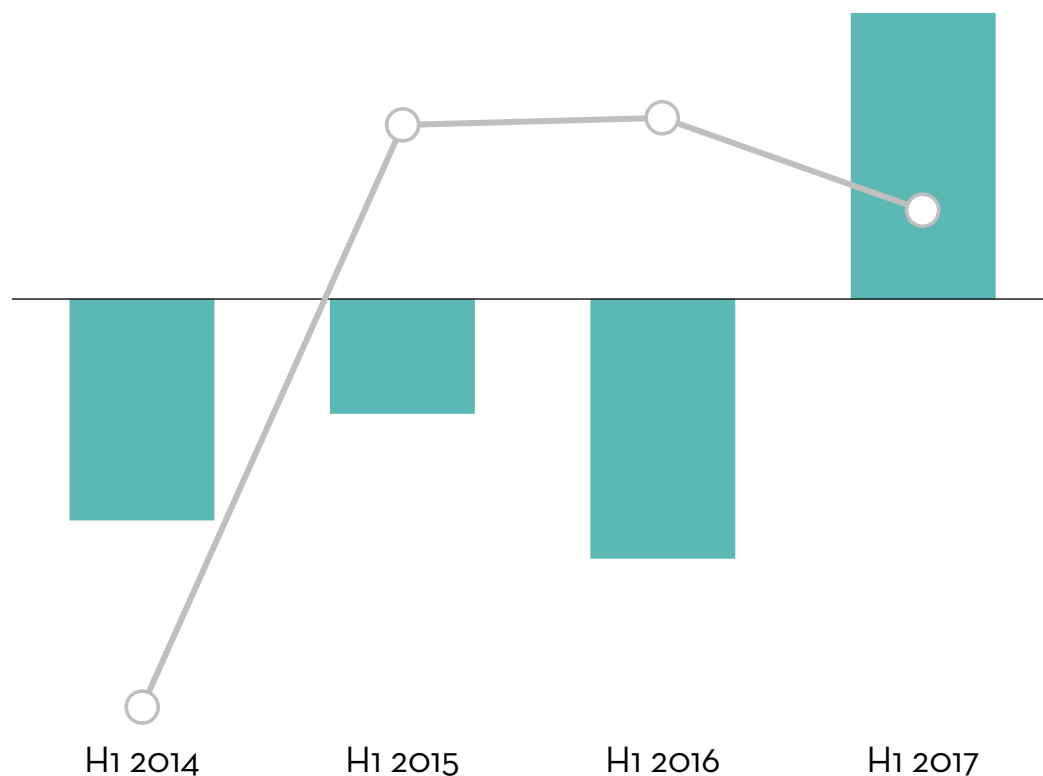
Creating outperformance by addressing underperformance

2

Strengthen margin

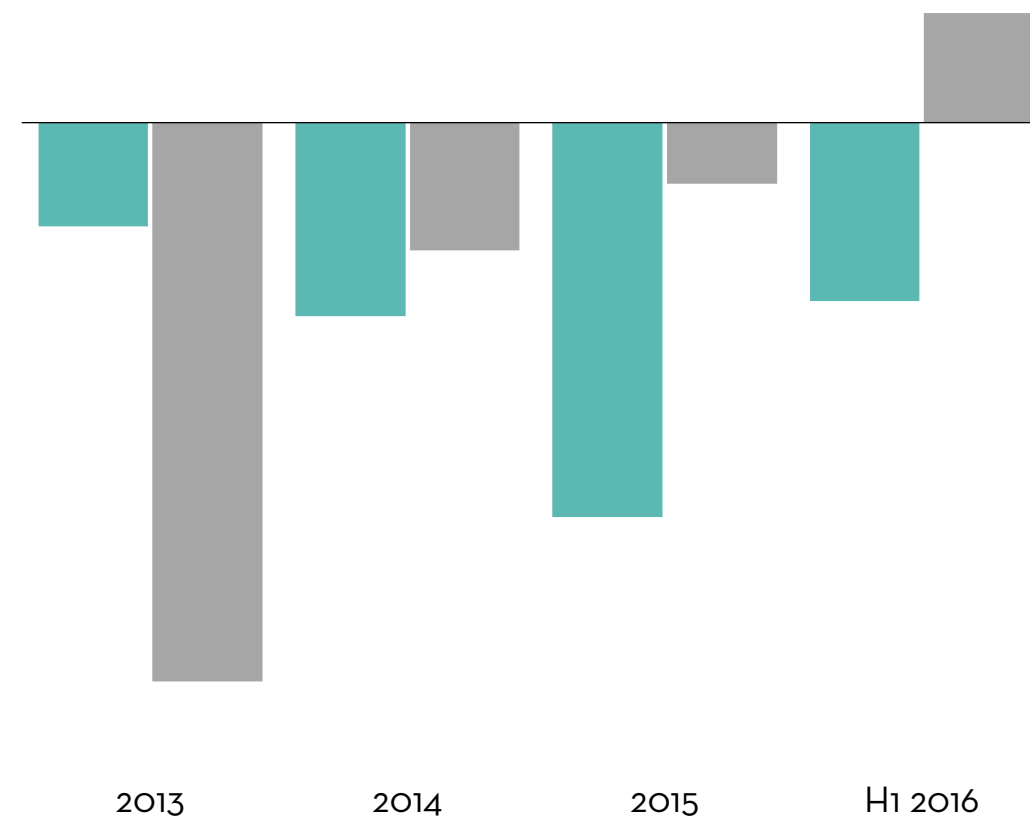
Delivered turnaround in Australia & NZ

● EBITA margin ○ Organic revenues growth (line)



Exited Russia & Ukraine

● EBITA margin Russia ● EBITA margin Ukraine

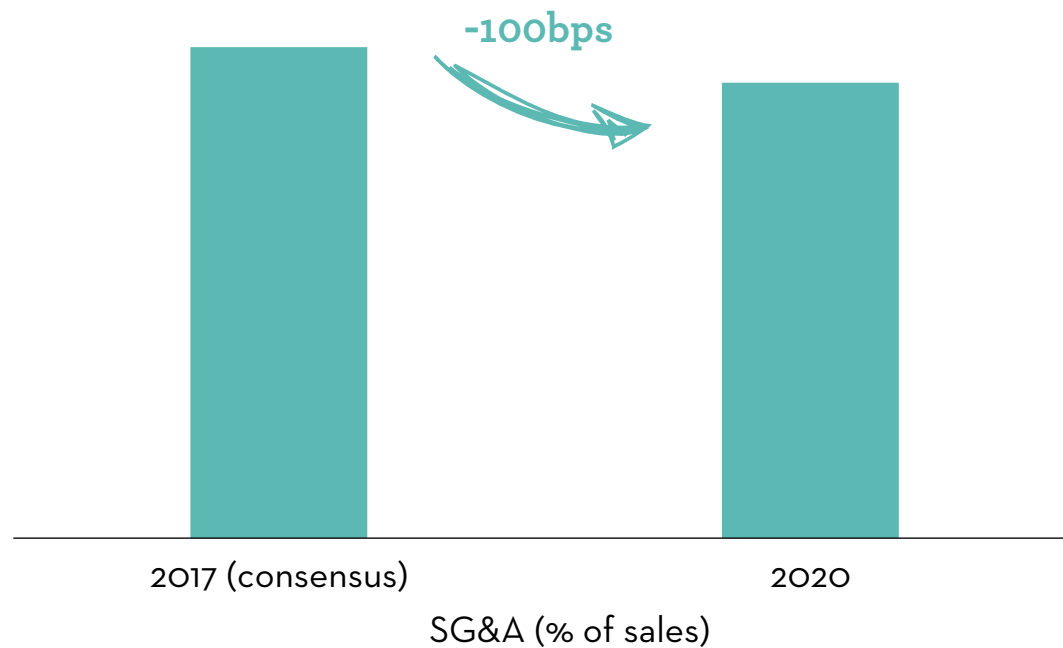


GrowTogether delivers productivity and leverage, Digital Ventures provide further enhancement

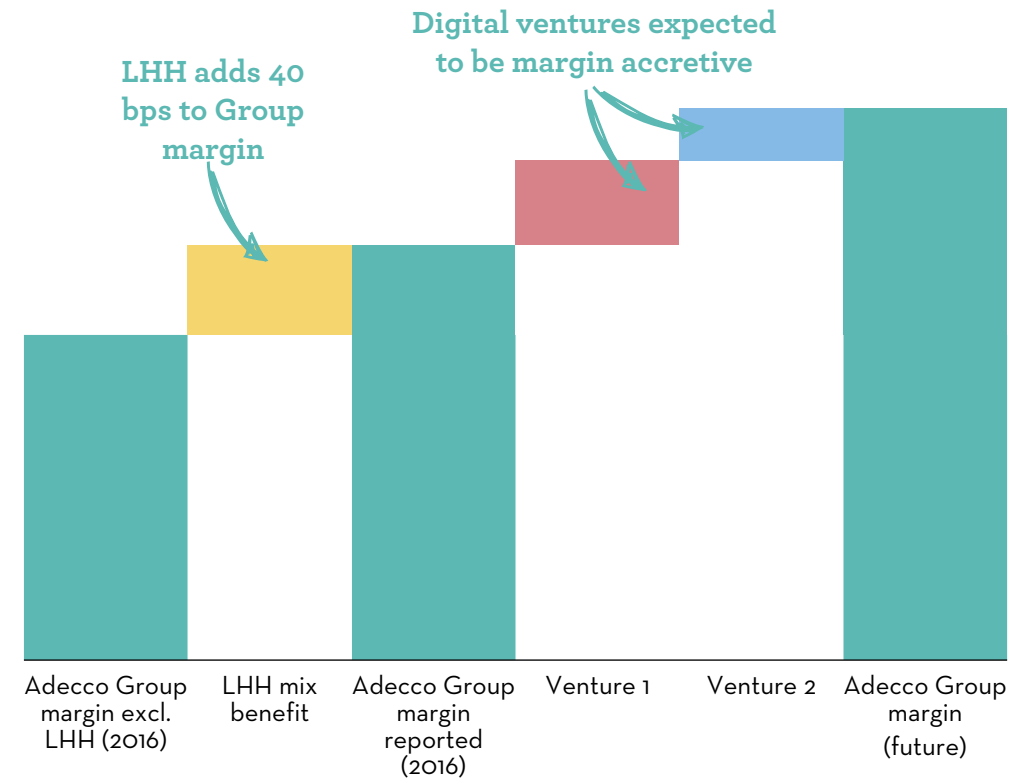
2

Strengthen margin

GrowTogether strengthens the margin



Digital Ventures enhance the margin



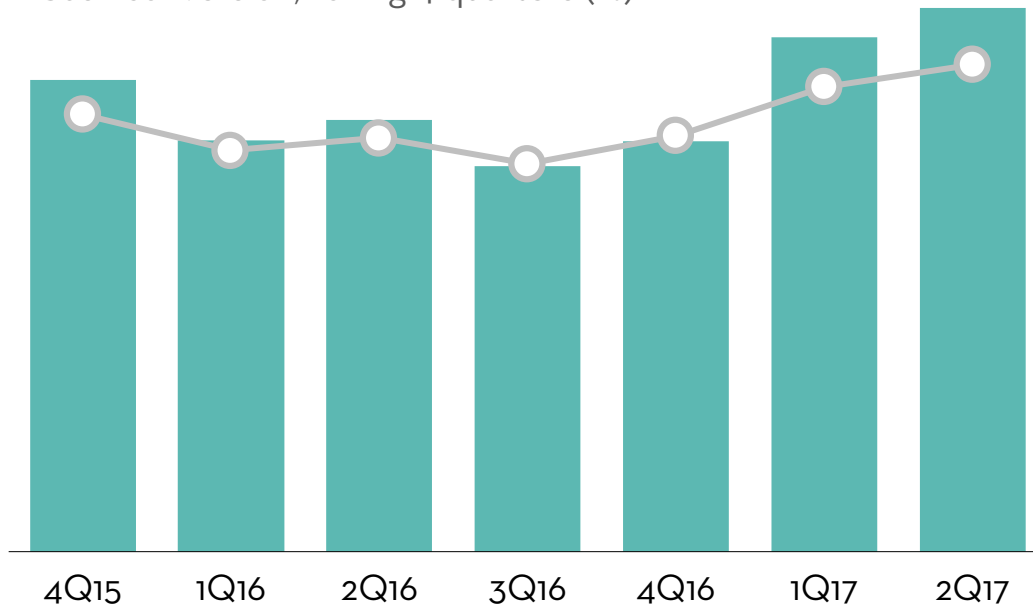
Continued cash flow discipline supported by EVA

3

Deliver strong cash flow

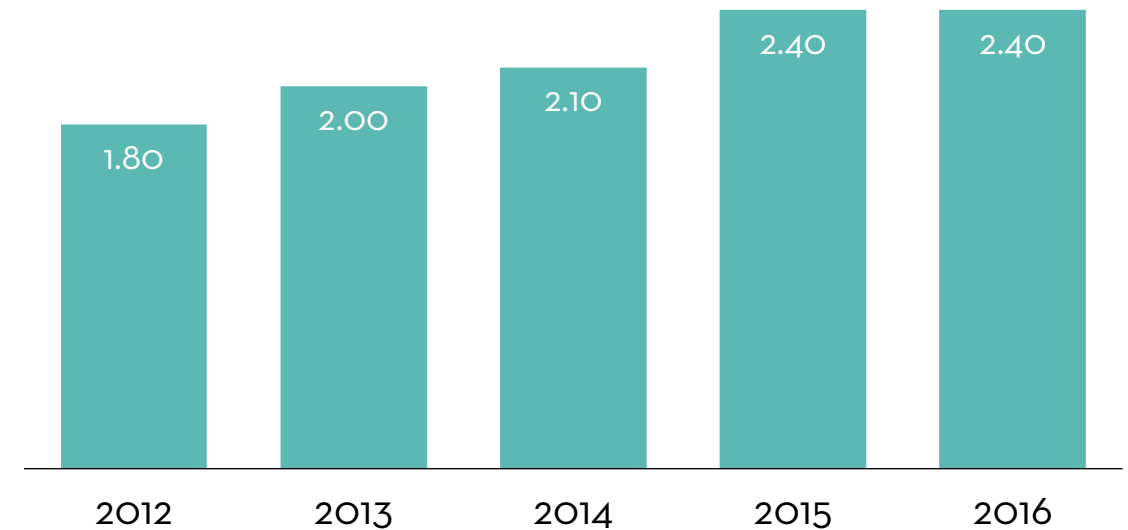
Cash conversion remains strong

- Free Cash Flow, rolling 4 quarters (EUR millions)
- Cash conversion, rolling 4 quarters (%)



Dividend per share (CHF)

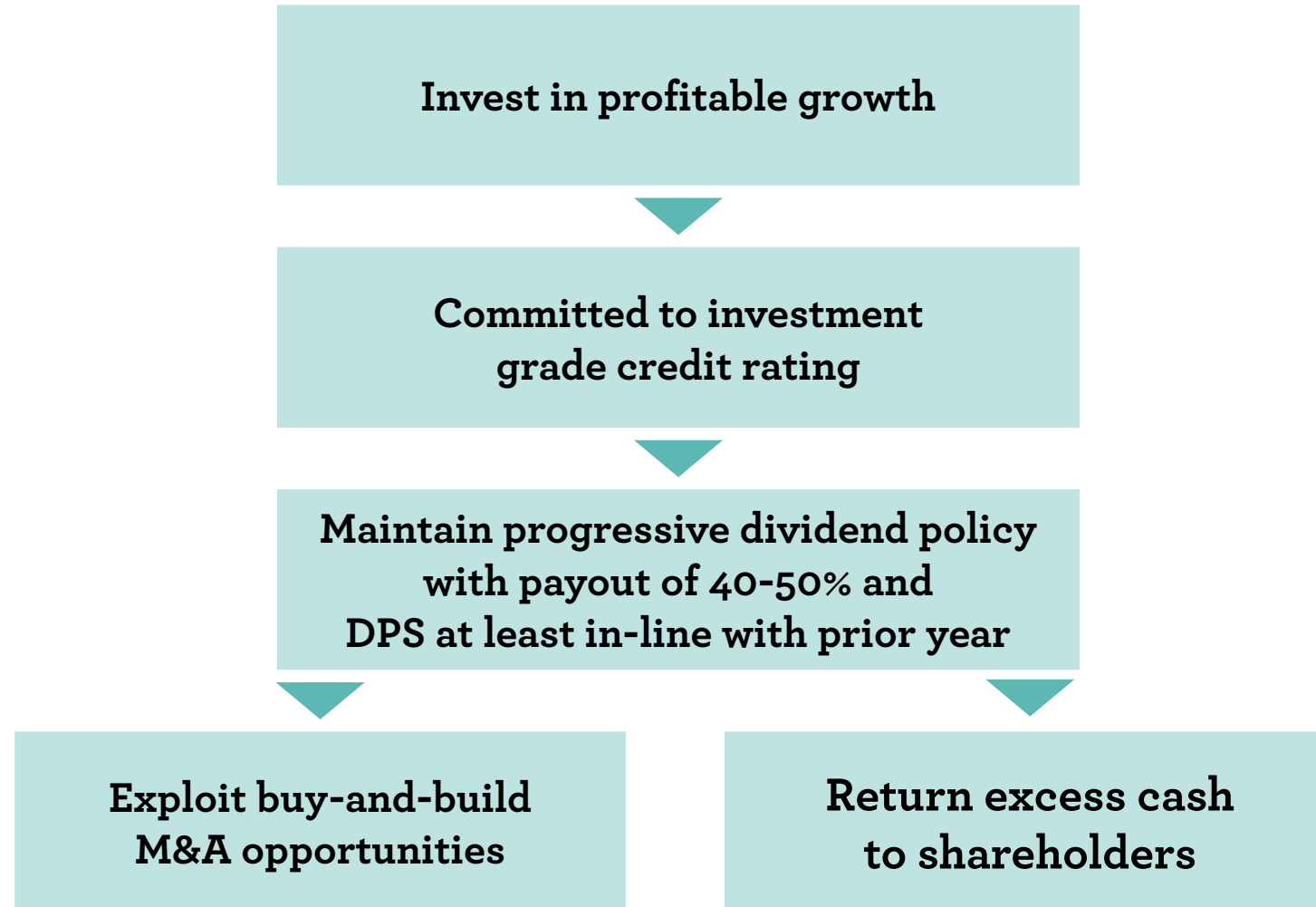
Focus on shareholders returns



Keep driving cash flow while investing for the future

3

Deliver strong cash flow



Disciplined acquisition approach for creating value

3

Deliver strong cash flow

“Buy-and-build” acquisition strategy
means that with any acquisition...

1

We accelerate our
strategic development,
broadening and
diversifying
our offering

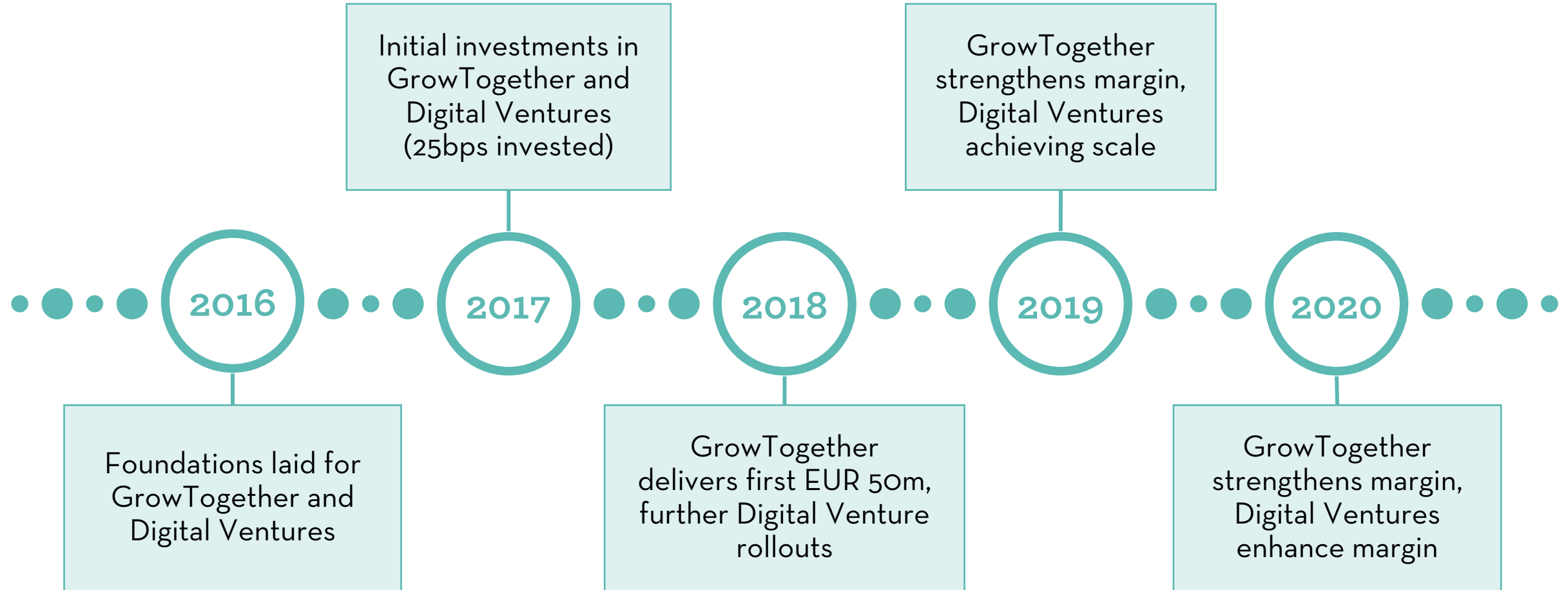
2

We are a
‘better owner’ of the
business, achieving
revenue and/or cost
synergies with
our existing activities

3

We create value
for our shareholders,
delivering positive
EVA within 3 years

The journey started in 2016 and continues



Investing in GrowTogether & Digital Ventures to drive growth and margin

	GrowTogether	Digital Ventures
Revenues	Profitable market share gains	Market expansion to 'new frontiers'
Margins	Efficiency savings starting 2018, growing to EUR 250m p.a. in 2020	Higher-margin new businesses
Investment	EUR 245m total programme costs 2017-20	Accelerating digital ventures 2018-19; c.25bps p.a. EBITA margin impact
	Approximately EUR 200m total restructuring costs 2018-19	Capital expenditure EUR 10-20m p.a. and selective external investments

Our path to 2020: 2017-18 investments to drive sustainable margin improvement

Margin impact* vs “business as usual” baseline

In basis points	2017	2018	2019	2020	2021
GT efficiency savings	0	20	50	100	100
GT programme costs	(20)	(20)	(25)	(25)	0
GT net benefits	(20)	0	25	75	100
Digital ventures	(5)	(25)	(25)	+	+
Combined margin impact*	(25)	(25)	0	75+	100+

EUR 250m p.a. efficiency savings from 2020

EUR 245m total programme costs 2017-20

* EBITA margin excluding restructuring costs

In-line with run-rate in H1 2017

Same as 2017 - no incremental impact YoY

GT = GrowTogether

Summary:

Drive revenues, strengthen margin, deliver cash flow

Investments
impacting
EBITA margin

Cash flow
will remain
strong

2020: Perform +
Transform + Innovate
accelerates the
performance



THE ADECCO GROUP

5. Q & A

Trading update for Q3 2017 to date: growth continues

In July and August, revenues increased by 6% organically and trading days adjusted, in line with the trend in Q2 2017

So far in September, volume growth indicates a continuation of this trend

Q3 2017 results will be released on 7 November



THE ADECCO GROUP

6. Q & A