



RESILIENCE AND AGILITY IN Q2 2020

Strong margin and cash flow performance

Summary and highlights

- Revenues down 29% year-on-year on a reported basis, and down 28% organically¹ and trading days adjusted (TDA), impacted by widespread lockdown measures implemented in response to COVID-19
- Revenue trend improved as the quarter progressed, with June declining 26% organically and TDA year-on-year and July showing further gradual improvement
- Resilient gross margin performance, down 20 bps yoy to 18.8%, and down 10 bps organically; supported by strength and balance of portfolio, performance by LHH (career transition) and firm pricing discipline
- Agile cost management led to positive EBITA² margin excluding one-offs³ of 1.8%, despite sharp revenue decline
- Strong cash flow and balance sheet with cash conversion of 145% and net debt/EBITDA excluding one-offs at 0.6x
- Continued investment and progress in the Group's strategic priorities - GrowTogether, IT and the Ventures

"The public health and economic crisis linked to COVID-19 intensified during Q2, creating an extremely challenging market environment. The Adecco Group responded swiftly and proactively to secure the wellbeing and safety of our colleagues and associates, and to support our clients.

In the face of these unique challenges our businesses demonstrated resilience, performing ahead of the market in a number of key countries including France, Italy, Spain and Japan. Throughout the first half the Group remained solidly profitable with strong gross margin performance despite the steep revenue declines. This is evidence of the disciplined cost management of our teams and the balanced portfolio we have built in recent years. Cash flow during the quarter was also strong.

While mitigating the short-term impacts of the crisis we maintained a firm focus on our strategy to Perform, Transform and Innovate. The recent implementation of our integrated front office system (InFO) was an enabler of the growth in Japan and we continued the InFO roll out in Spain and France during Q2. We also digitised our PERFORM methodology to adapt to remote working.

We see early signs of improvement as lockdowns ease, and we have supported almost 100,000 associates back to work since the April trough. Nevertheless, the recovery is likely to be gradual and potentially volatile, as much uncertainty persists.

Finally and most importantly, I would like to sincerely thank our valued customers for their trust in us throughout this historic crisis, and express my gratitude to our employees and associates for their unwavering commitment and tireless ongoing work in remarkably challenging circumstances."

Alain Dehaze, Group Chief Executive Officer

¹ Organic growth is a non-US GAAP measure and excludes the impact of currency, acquisitions and divestitures.

² EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

³ In Q2 2020, EBITA included one-offs of EUR 25 million; in Q2 2019, EBITA included one-offs of EUR 24 million.



Key figures overview

EUR millions unless stated	Q2 2020	Q2 2019	Change %		HY 2020	HY 2019	Change %	
			Reported	Organic			Reported	Organic
Summary of income statement information								
Revenues	4,181	5,923	-29%	-28% ⁴	9,320	11,568	-19%	-18% ⁴
Gross profit	786	1,128	-30%	-28%	1,780	2,208	-19%	-18%
EBITA excluding one-offs	75	265	-72%	-70%	229	491	-53%	-50%
EBITA	50	241	-79%	-78%	186	462	-60%	-57%
Net income/(loss) attributable to Adecco Group shareholders	21	159	-87%		(327)	292	n.m.	
Diluted EPS (EUR)	0.13	0.98	n.m.		(2.01)	1.80	n.m.	
Gross margin	18.8%	19.0%	(20) bps	(10) bps	19.1%	19.1%	0 bps	10 bps
EBITA margin excluding one-offs	1.8%	4.5%	(270) bps	(250) bps	2.5%	4.2%	(170) bps	(160) bps
EBITA margin	1.2%	4.1%	(290) bps	(270) bps	2.0%	4.0%	(200) bps	(180) bps
Summary of cash flow and net debt information								
Free cash flow ⁵ before interest and tax paid (FCFBIT)	470	194			559	385		
Free cash flow (FCF)	311	115			341	248		
Net debt ⁶	519	1,381			519	1,381		
Days sales outstanding	54	52			54	52		
Cash conversion ⁷	145%	84%			145%	84%		
Net debt to EBITDA ⁸ excluding one-offs	0.6x	1.2x			0.6x	1.2x		

⁴ In Q2 2020, organic and trading days adjusted (TDA) revenues declined by 28%. In HY 2020, organic revenue declined by 18%, or by 19% TDA.

⁵ Free cash flow is a non-US GAAP measure and comprises cash flows from operating activities less capital expenditures.

⁶ Net debt is a non-US GAAP measure and comprises short-term and long-term debt less cash and cash equivalents and short-term investments.

⁷ Cash conversion is a non-US GAAP measure and is calculated as last 4 quarters of FCFBIT divided by last 4 quarters of EBITA excluding one-offs.

⁸ Net debt to EBITDA is a non-US GAAP measure and is calculated as net debt at period end divided by last 4 quarters of EBITA excluding one-offs plus depreciation.

Q2 2020 financial performance

Group performance overview

Revenues in Q2 2020 declined by 28% year-on-year, organically and trading days adjusted (TDA), as a result of the lockdown measures put in place globally to contain the COVID-19 pandemic. The rate of revenue decline reached a trough in April, at -33% organically and TDA – somewhat better than initially expected. The trend improved through the quarter, with June at -26% organically and TDA and July showing further gradual improvement. Developments by geography broadly mirrored the progression of the pandemic. Permanent placement revenues were most impacted, down 45% organically, while counter-cyclical career transition was resilient, with organic growth of 2%.

Gross margin was 18.8%, a decrease of only 10 bps year-on-year organically, thanks to the strength and diversity of the Group's portfolio. EBITA margin excluding one-offs was 1.8%, down 250 bps organically, with agile cost management partly mitigating the significant decline in revenues. Cash flow was strong, with cash conversion at 145% and free cash flow of EUR 311 million. Certain tax and social security payments that were deferred in Q1 2020 were accelerated during the quarter as the trading environment improved: the net effect being an outflow of EUR 31 million in Q2 2020.



Revenues

Q2 2020 revenues were EUR 4,181 million, down 29% year-on-year on a reported basis and down 28% on an organic and trading days adjusted basis. Currency movements and the number of working days both had a limited and offsetting impact, while divestments had a negative impact of approximately 1.5%.

By service line: temporary staffing revenues declined by 30% to EUR 3,534 million; permanent placement revenues declined by 45% to EUR 84 million; revenues from career transition were up 2% to EUR 89 million; and revenues in outsourcing and other activities were down 8% to EUR 474 million. By brand: Workforce Solutions (Adecco brand) revenues declined 30%; Professional Solutions were down 23%, including Modis down 11%, Badenoch + Clark/Spring Professional down 29% and Other professional brands down 48%; Talent Solutions and Ventures declined 9%. All compared to the prior year and on an organic basis.

Gross Profit

Gross profit was EUR 786 million in Q2 2020, down 30% on a reported basis and down 28% organically. Gross margin was 18.8%, down 20 bps compared to Q2 2019. Currency had a positive impact of 10 bps while acquisitions and divestitures had a negative impact of 20 bps. Therefore, on an organic basis, the gross margin was down 10 bps: positive contributions from career transition (+70 bps) and outsourcing and other activities (+20 bps) mostly compensated for declines in permanent placement (-60 bps) and temporary staffing (-40 bps). The temporary staffing gross margin decline was driven by higher bench costs relating to COVID-19 and negative mix effects, as demand from large and onsite clients (with lower gross margins) declined by less than demand from small and medium clients.

Selling, General and Administrative Expenses (SG&A)

SG&A excluding one-offs was EUR 716 million in Q2 2020, down 17% year-on-year on a reported basis and down 16% organically. Average FTE employees were 27,660, a reduction of 19% organically year-on-year in response to the lower level of client demand linked to lockdowns in most countries. The number of branches was reduced by 5% organically year-on-year. Q2 2020 reported SG&A included one-offs of EUR 25 million, comprising restructuring costs of EUR 24 million and acquisition-related costs of EUR 1 million. In Q2 2019, one-offs were EUR 24 million, of which EUR 22 million were restructuring costs and EUR 2 million acquisition-related costs.

EBITA

EBITA in Q2 2020 was EUR 50 million, which included EUR 5 million from the Group's FESCO Adecco JV in China. EBITA excluding one-offs was EUR 75 million, down 70% organically. EBITA margin excluding one-offs was 1.8%, down 270 bps year-on-year in reported terms and down 250 bps organically. The conversion ratio of gross profit into EBITA excluding one-offs was 9.6%, down 1,390 bps on a reported basis and down 1,300 bps organically year-on-year.

Amortisation of Intangible Assets and Impairment of Goodwill

Amortisation of intangible assets was EUR 21 million, compared to EUR 13 million in Q2 2019.

Operating Income/(Loss)

The Group generated an operating income in Q2 2020 of EUR 29 million, compared to EUR 228 million in Q2 2019.

Interest Expense and Other Income/(Expenses), net

Interest expense was EUR 7 million in Q2 2020, compared to EUR 10 million in Q2 2019. Other income/(expenses), net was an expense of EUR 5 million, compared to EUR 3 million in Q2 2019.

Provision for Income Taxes

In Q2 2020, the effective tax rate excluding discrete events was 13%. Discrete events had a favourable impact on the tax rate of 40%, resulting in a negative effective tax rate (positive impact on net income) of 27% (N.B. the low level of income before taxes in Q2 2020 results in a disproportionate impact on the effective tax rate from discrete items). In Q2 2019, the tax rate excluding discrete events was 32% and there was a positive impact from discrete events of 6%.



Net Income/(Loss) Attributable to Adecco Group Shareholders and EPS

Net income attributable to Adecco Group shareholders was EUR 21 million, compared to an income of EUR 159 million in Q2 2019. Basic EPS was EUR 0.13 compared to EUR 0.98 in Q2 2019.

Cash Flow and Net Debt

Cash flow from operating activities was EUR 342 million in Q2 2020, compared to EUR 145 million in Q2 2019. The higher cash flow year-on-year was mainly driven by a working capital inflow, reflecting lower levels of business activity and strong collections. DSO was 54 days in Q2 2020, increasing by 2 days compared to the prior year due to the mechanical impact of the sharp decline in revenues. The rolling last four quarters cash conversion ratio was 145%, compared to 84% in Q2 2019. Net debt was EUR 519 million at 30 June 2020, compared to EUR 398 million at 31 December 2019 and EUR 1,381 million at 30 June 2019. Net debt to EBITDA excluding one-offs was 0.6x, compared to 0.3x at 31 December 2019 and 1.2x at 30 June 2019. Q2 typically represents the seasonal peak in net debt, due to the payment of the dividend in April (EUR 381 million in 2020).

Q2 2020 segment operating performance

Revenues and revenue growth

EUR millions unless stated	Revenues		Reported	Variance		% of revenues Q2 2020
	Q2 2020	Q2 2019		Organic	Organic TDA ⁹	
France	793	1,420	-44%	-44%	-44%	19%
N. America, UK & I. General Staffing ¹⁰	540	751	-28%	-28%	-28%	13%
N. America, UK & I. Professional Staffing ¹⁰	546	847	-35%	-28%	-28%	13%
Germany, Austria, Switzerland	338	474	-29%	-30%	-30%	8%
Benelux and Nordics	301	482	-37%	-36%	-35%	7%
Italy	375	497	-24%	-24%	-23%	9%
Japan	401	364	10%	6%	5%	10%
Iberia	202	286	-29%	-26%	-26%	5%
Rest of World	561	673	-17%	-10%	-10%	13%
Career Transition & Talent Development	124	129	-4%	-4%	-4%	3%
Adecco Group	4,181	5,923	-29%	-28%	-28%	100%

EBITA and EBITA margin excluding one-offs

EUR millions unless stated	EBITA excluding one-offs ¹¹		EBITA margin excluding one-offs			% of EBITA ¹² Q2 2020
	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Variance	
France	10	89	1.3%	6.2%	(490) bps	9%
N. America, UK & I. General Staffing ¹⁰	8	22	1.3%	2.9%	(160) bps	7%
N. America, UK & I. Professional Staffing ¹⁰	9	44	1.7%	5.1%	(340) bps	8%
Germany, Austria, Switzerland	(15)	(1)	-4.3%	-0.4%	(390) bps	-13%
Benelux and Nordics	4	15	1.4%	3.2%	(180) bps	3%
Italy	18	44	4.7%	8.7%	(400) bps	16%
Japan	37	28	9.2%	7.7%	150 bps	32%
Iberia	3	13	1.9%	4.9%	(300) bps	3%
Rest of World	19	24	3.2%	3.5%	(30) bps	16%
Career Transition & Talent Development	22	22	18.0%	17.8%	20 bps	19%
Corporate	(40)	(35)				
Adecco Group	75	265	1.8%	4.5%	(270) bps	100%

⁹ TDA = trading days adjusted.

¹⁰ 2019 N. America, UK&I General Staffing and N. America, UK&I Professional Staffing have been restated to conform with the current period presentation

¹¹ See page 11 for a reconciliation of EBITA to EBITA excluding one-offs by segment.

¹² % of EBITA excluding one-offs and before Corporate.



Note: all revenue growth rates in this section are year-on-year on an organic basis, unless otherwise stated

In **France**, revenues were EUR 793 million, down 44%, slightly better than the market decline. Widespread client shutdowns, particularly in the manufacturing, automotive, construction and logistics industries had a significant impact on demand. Revenues decreased by 45% in Workforce Solutions (Adecco brand), which accounts for over 90% of revenues. Professional Solutions were down 29%. Permanent placement revenues declined 45%. EBITA excluding one-offs was EUR 10 million with a margin of 1.3%, down 490 bps year-on-year. The business remained profitable, despite the strong decline in revenues and higher cost of sales linked to COVID-19, due to agile cost management.

In **North America, UK & Ireland General Staffing**, revenues were EUR 540 million, a decline of 28%. North America General Staffing, which accounts for approximately 75% of revenues, was down 30%. The majority of client sectors declined, with client shutdowns in the manufacturing sector and retail having the largest impact on revenues. UK & Ireland General Staffing represents approximately 25% of revenues and was down 25%. Permanent placement revenues declined by 60% in North America General Staffing and by 77% in UK & Ireland General Staffing. Overall EBITA excluding one-offs was EUR 8 million, with a margin of 1.3%, down 160 bps year-on-year.

In **North America, UK & Ireland Professional Staffing**, revenues were EUR 546 million, down 28%. North America Professional Staffing represents approximately 60% of revenues and declined 25%. The decline was led by the professional recruitment brands (Finance, Office, Legal) and Entegeer (Engineering), with Modis (IT) being more resilient. UK & Ireland Professional Staffing represents approximately 40% of revenues and declined 34%, impacted by lockdown measures and lower client demand ahead of the implementation of IR35 (regulation change that was subsequently postponed). Permanent placement revenues were down 58% in North America Professional Staffing and down 44% in UK & Ireland Professional Staffing. Overall EBITA excluding one-offs was EUR 9 million with a margin of 1.7%, down 340 bps year-on-year. The impact of the revenue decline, especially in permanent placement, and the divestment of the Group's US healthcare operations from 1 January 2020 was partly mitigated by good cost control.

In **Germany, Austria, Switzerland**, revenues were EUR 338 million, down 30%. In Germany & Austria, revenues declined 31%, or 30% trading days adjusted (TDA). The decline was led by lower demand from clients in the automotive and manufacturing industries. In Switzerland, revenues declined by 28%. For the region, EBITA excluding one-offs was a loss of EUR 15 million, with a margin of -4.3%, down 390 bps year-on-year. Germany is a bench model business (associates are permanent employees of Adecco Group), hence the margin is significantly impacted by lower client demand and higher sickness rates linked to COVID-19, despite agile cost management.

In **Benelux and Nordics**, revenues were EUR 301 million, down 36%, or down 35% TDA. In the Nordics, revenues declined 36%, or 37% TDA, with all countries declining double-digits. Revenues in Benelux were down 35%, or down 34% TDA with a similar rate of decline in both the Netherlands and Belgium, driven by lower demand in the manufacturing, automotive and logistics sectors. Overall EBITA excluding one-offs was EUR 4 million, with a margin of 1.4%, compared to 3.2% in Q2 2019.

In **Italy**, revenues were EUR 375 million, down 24% or 23% TDA, ahead of the market. The decline was led by the manufacturing and automotive industries. Permanent placement was down 47%. EBITA was EUR 18 million and the margin was 4.7%, down 400 bps year-on-year, impacted by lower revenues and unfavourable business mix.

In **Japan**, revenues were EUR 401 million, up 6%, or 5% TDA, with continued good growth in both Workforce Solutions and Professional Solutions. Permanent placement was down 6%. EBITA was EUR 37 million and the EBITA margin was 9.2%, up 150 bps year-on-year, supported by pricing, productivity improvement linked to the roll-out of the new Integrated Front-Office and favourable calendar effects.

In **Iberia**, revenues were EUR 202 million, down 26%, driven by declines in the manufacturing and automotive industries. EBITA was EUR 3 million. EBITA margin declined by 300 bps year-on-year to 1.9%.



In **Rest of World**, revenues were EUR 561 million, down 10%. Revenues decreased by 12% in Australia & New Zealand, by 4% in Latin America, by 4% in Eastern Europe & MENA, by 14% in Asia and by 39% in India, all trading days adjusted. For the region, EBITA excluding one-offs was EUR 19 million, with a margin of 3.2%, down 30 bps compared to last year. Since Q4 2019, the Group reports net income from its China joint venture, FESCO Adecco, within Rest of World EBITA (previously included in 'other income/(expenses), net'). This had a positive impact of EUR 5 million year-on-year on EBITA in Q2 2020.

In **Career Transition and Talent Development**, revenues were down 4% at EUR 124 million. Revenues declined by 2% in Lee Hecht Harrison and by 11% in General Assembly. Career transition revenues in LHH were slightly positive year-on-year in Q2, with significant new wins in the quarter and a strong pipeline for H2. Both General Assembly and the talent development business of LHH were impacted by COVID-19 social-distancing measures that prevented most in-person training from taking place. EBITA excluding one-offs was EUR 22 million, representing an EBITA margin of 18.0%, compared to 17.8% in the prior year excluding one-offs.

Management outlook

Revenues declined by 28% in Q2 2020, organically and trading days adjusted. The rate of revenue decline was greatest in April and improved as the quarter progressed, with June declining 26% organically and TDA year-on-year, and July showing further gradual improvement.

The Group will continue to manage its cost base in an agile way, to protect profitability, while maintaining investments in its transformation and in areas of growth. Having achieved an organic recovery ratio of 44% in Q2 (reduction in SG&A as a percentage of gross profit decline), management anticipates a recovery ratio of approximately 40% in Q3 2020, as utilisation of government support schemes is reduced and headcount is increased to reflect higher activity levels post lockdowns.

While the economic environment remains uncertain, linked to COVID-19, the Group is well positioned, both financially and operationally, to capitalise on opportunities as the global economy recovers. The Group has continued to invest in and execute its Perform, Transform, Innovate strategy throughout the crisis, building on the momentum already established.

The Group has a strong balance sheet and significant liquidity headroom. Cash on hand was EUR 1.5 billion at the end of June and the Group's EUR 600 million committed long-term revolving credit facility remains undrawn. None of the Group's financing is subject to any financial covenants. Additionally, the Group has remained profitable during the crisis and generates substantial free cash flow as revenues decline, as the level of working capital required to fund the business is reduced.

2020 Half Year Report

Alongside the Q2 2020 press release, the Adecco Group has published today its 2020 Half Year Report, which can be found in the Results & Events Centre, under the 2nd Quarter tab, on the Group's investor relations website (<https://www.adeccogroup.com/investors/results-events-centre/>).



Q2 2020 results conference calls

There will be an analyst and investor conference call at 11.00 am CEST. The conference call can be followed either via webcast or via telephone call:

UK/Global + 44 (0) 207 107 0613

United States + 1 (1) 631 570 56 13

Cont. Europe + 41 (0) 58 310 50 00

The Q2 2020 results presentation will be available through the webcast and will be published on the Investor Relations section on the Group's website.

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Financial Agenda

- Q3 2020 results 3 November 2020
- Capital Markets Day 2 December 2020
- Q4 2020 results 25 February 2021

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 of 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.



THE ADECCO GROUP

About the Adecco Group

The Adecco Group is the world's leading HR solutions company. We believe in making the future work for everyone, and every day enable more than 3.5 million careers. We skill, develop, and hire talent in 60 countries, enabling organisations to embrace the future of work. As a Fortune Global 500 company, we lead by example, creating shared value that fuels economies and builds better societies. Our culture of inclusivity, entrepreneurship and teamwork empowers our 35,000 employees. We are proud to have been consistently ranked one of the 'World's Best Workplaces' by Great Place to Work®.

The Adecco Group AG is headquartered in Zurich, Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN) and powered by nine global brands: Adecco, Adia, Badenoch + Clark, General Assembly, Lee Hecht Harrison, Modis, Pontoon, Spring Professional and Vetterly.



Revenues by segment and by brand

Revenues by segment EUR millions	Q2		Variance %		HY		Variance %	
	2020	2019 ⁴⁾	EUR	Constant currency	2020	2019 ⁴⁾	EUR	Constant currency
France	793	1,420	-44%	-44%	1,917	2,703	-29%	-29%
N. America, UK & I. General Staffing	540	751	-28%	-28%	1,194	1,484	-20%	-21%
N. America, UK & I. Professional Staffing ¹⁾	546	847	-35%	-35%	1,224	1,674	-27%	-28%
Germany, Austria, Switzerland	338	474	-29%	-30%	762	956	-20%	-21%
Benelux and Nordics	301	482	-37%	-36%	699	948	-26%	-25%
Italy	375	497	-24%	-24%	806	954	-15%	-15%
Japan	401	364	10%	6%	783	707	11%	6%
Iberia ¹⁾	202	286	-29%	-29%	457	550	-17%	-17%
Rest of World	561	673	-17%	-10%	1,218	1,334	-9%	-4%
Career Transition & Talent Development	124	129	-4%	-4%	260	258	1%	0%
Adecco Group¹⁾	4,181	5,923	-29%	-29%	9,320	11,568	-19%	-20%

Revenues by brand EUR millions	Q2		Variance %		HY		Variance %	
	2020	2019	EUR	Constant currency	2020	2019	EUR	Constant currency
Adecco	3,071	4,436	-31%	-30%	6,898	8,620	-20%	-20%
Workforce Solutions	3,071	4,436	-31%	-30%	6,898	8,620	-20%	-20%
Modis	454	507	-10%	-11%	955	1,005	-5%	-6%
Badenoch + Clark / Spring Professional ²⁾	278	393	-29%	-29%	642	778	-17%	-18%
Other Professional Brands ³⁾	206	399	-48%	-48%	462	791	-42%	-42%
Professional Solutions³⁾	938	1,299	-28%	-28%	2,059	2,574	-20%	-21%
LHH	101	104	-3%	-3%	210	209	0%	0%
Pontoon	43	46	-4%	-4%	89	89	1%	0%
Ventures	28	38	-28%	-29%	64	76	-16%	-18%
Talent Solutions and Ventures	172	188	-9%	-9%	363	374	-3%	-4%
Adecco Group¹⁾	4,181	5,923	-29%	-29%	9,320	11,568	-19%	-20%

1) In Q2 2020 revenues changed organically in N. America, UK & I Professional Staffing by -28%, Iberia by -26%, and Adecco Group by -28%. In HY 2020 revenues changed organically in N. America, UK & I Professional Staffing by -20%, Iberia by -12%, and Adecco Group by -18%.

2) Including other local Professional Recruitment brands.

3) In Q2 2020 revenues changed organically in Other Professional Brands by -34%, and in Professional Solutions by -23%. In HY 2020 revenues changed organically in Other Professional Brands by -27%, and in Professional Solutions by -15%.

4) 2019 N. America, UK & I. General Staffing and N. America, UK & I. Professional Staffing have been restated to conform with current period presentation.



EBITA¹⁾ and EBITA margin by segment

EBITA EUR millions	Q2		Variance %		HY		Variance %	
	2020	2019 ²⁾	EUR	Constant currency	2020	2019 ²⁾	EUR	Constant currency
France	10	87	-88%	-88%	64	159	-60%	-60%
N. America, UK & I. General Staffing	1	22	-99%	-99%	12	42	-73%	-73%
N. America, UK & I. Professional Staffing	5	41	-88%	-88%	25	79	-69%	-70%
Germany, Austria, Switzerland	(20)	(18)	5%	7%	(34)	(10)	226%	236%
Benelux and Nordics	-	15	-97%	-97%	2	27	-92%	-92%
Italy	18	44	-59%	-59%	43	78	-44%	-44%
Japan	37	28	32%	26%	62	53	17%	12%
Iberia	3	13	-73%	-73%	13	27	-51%	-51%
Rest of World	18	24	-27%	-21%	44	45	-3%	3%
Career Transition & Talent Development	18	20	-15%	-15%	37	38	-4%	-6%
Corporate	(40)	(35)	14%	6%	(82)	(76)	8%	2%
Adecco Group	50	241	-79%	-79%	186	462	-60%	-60%

EBITA margin	Q2		Variance bps	HY		Variance bps
	2020	2019 ²⁾		2020	2019 ²⁾	
France	1.3%	6.1%	(480)	3.3%	5.9%	(260)
N. America, UK & I. General Staffing	0.0%	2.9%	(290)	0.9%	2.8%	(190)
N. America, UK & I. Professional Staffing	0.9%	4.8%	(390)	2.0%	4.7%	(270)
Germany, Austria, Switzerland	-5.7%	-3.8%	(190)	-4.4%	-1.1%	(330)
Benelux and Nordics	0.1%	3.1%	(300)	0.3%	2.8%	(250)
Italy	4.7%	8.7%	(400)	5.4%	8.2%	(280)
Japan	9.2%	7.7%	150	7.9%	7.5%	40
Iberia	1.9%	4.9%	(300)	2.9%	5.0%	(210)
Rest of World	3.0%	3.5%	(50)	3.6%	3.4%	20
Career Transition & Talent Development	14.3%	16.1%	(180)	14.2%	14.9%	(70)
Adecco Group	1.2%	4.1%	(290)	2.0%	4.0%	(200)

1) EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

2) 2019 N. America, UK & I. General Staffing and N. America, UK & I. Professional Staffing have been restated to conform with current period presentation.



Reconciliation of EBITA to EBITA excluding one-offs

EBITA	EBITA excluding one-offs		One-offs		EBITA	
	Q2 2020	Q2 2019 ¹⁾	Q2 2020	Q2 2019	Q2 2020	Q2 2019 ¹⁾
EUR millions						
France	10	89	-	(2)	10	87
N. America, UK & I. General Staffing	8	22	(7)	-	1	22
N. America, UK & I. Professional Staffing	9	44	(4)	(3)	5	41
Germany, Austria, Switzerland	(15)	(1)	(5)	(17)	(20)	(18)
Benelux and Nordics	4	15	(4)	-	-	15
Italy	18	44	-	-	18	44
Japan	37	28	-	-	37	28
Iberia	3	13	-	-	3	13
Rest of World	19	24	(1)	-	18	24
Career Transition & Talent Development	22	22	(4)	(2)	18	20
Corporate	(40)	(35)	-	-	(40)	(35)
Adecco Group	75	265	(25)	(24)	50	241

EBITA	EBITA excluding one-offs		One-offs		EBITA	
	HY 2020	HY 2019 ¹⁾	HY 2020	Q2 2019	HY 2020	HY 2019 ¹⁾
EUR millions						
France	64	161	-	(2)	64	159
N. America, UK & I. General Staffing	19	42	(7)	-	12	42
N. America, UK & I. Professional Staffing	30	83	(5)	(4)	25	79
Germany, Austria, Switzerland	(17)	7	(17)	(17)	(34)	(10)
Benelux and Nordics	7	27	(5)	-	2	27
Italy	43	78	-	-	43	78
Japan	62	53	-	-	62	53
Iberia	13	27	-	-	13	27
Rest of World	46	45	(2)	-	44	45
Career Transition & Talent Development	44	43	(7)	(5)	37	38
Corporate	(82)	(75)	-	(1)	(82)	(76)
Adecco Group	229	491	(43)	(29)	186	462

1) 2019 N. America, UK & I. General Staffing and N. America, UK & I. Professional Staffing have been restated to conform with current period presentation.



Consolidated statements of operations

EUR millions except share and per share information	Q2		Variance %		HY		Variance %	
	2020	2019	EUR	Constant currency	2020	2019	EUR	Constant currency
Revenues	4,181	5,923	-29%	-29%	9,320	11,568	-19%	-20%
Direct costs of services	(3,395)	(4,795)			(7,540)	(9,360)		
Gross profit	786	1,128	-30%	-30%	1,780	2,208	-19%	-20%
Selling, general, and administrative expenses	(741)	(887)	-16%	-17%	(1,608)	(1,746)	-8%	-9%
Proportionate net income of equity method investment FESCO Adecco	5				14			
EBITA¹⁾	50	241	-79%	-79%	186	462	-60%	-60%
Amortisation of intangible assets	(21)	(13)			(42)	(27)		
Impairment of goodwill					(362)			
Operating income/(loss)	29	228	-87%	-87%	(218)	435	n.m.	n.m.
Interest expense	(7)	(10)			(15)	(18)		
Other income/(expenses), net	(5)	(3)			(5)	(4)		
Income/(loss) before income taxes	17	215	-92%		(238)	413	n.m.	
Provision for income taxes	5	(56)			(88)	(121)		
Net income/(loss)	22	159	-87%		(326)	292	n.m.	
Net income attributable to noncontrolling interests	(1)				(1)			
Net income/(loss) attributable to Adecco Group shareholders	21	159	-87%		(327)	292	n.m.	
Basic earnings/(loss) per share²⁾	0.13	0.98	-87%		(2.02)	1.80	n.m.	
Diluted earnings/(loss) per share³⁾	0.13	0.98	-87%		(2.01)	1.80	n.m.	
<i>Gross margin</i>	<i>18.8%</i>	<i>19.0%</i>			<i>19.1%</i>	<i>19.1%</i>		
<i>SG&A as a percentage of revenues</i>	<i>17.7%</i>	<i>15.0%</i>			<i>17.2%</i>	<i>15.1%</i>		
<i>EBITA margin</i>	<i>1.2%</i>	<i>4.1%</i>			<i>2.0%</i>	<i>4.0%</i>		
<i>Operating income/(loss) margin</i>	<i>0.7%</i>	<i>3.8%</i>			<i>-2.3%</i>	<i>3.8%</i>		
<i>Net income/(loss) margin attributable to Adecco Group shareholders</i>	<i>0.5%</i>	<i>2.7%</i>			<i>-3.5%</i>	<i>2.5%</i>		

1) EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

2) Basic weighted-average shares were 161,396,059 in Q2 2020 and 161,723,131 in HY 2020 (162,064,327 in Q2 2019 and 162,350,547 in HY 2019).

3) Diluted weighted-average shares were 161,805,244 in Q2 2020 and 162,184,333 in HY 2020 (162,397,965 in Q2 2019 and 162,640,853 in HY 2019).



Consolidated balance sheets

EUR millions	30 June 2020	31 December 2019
Assets		
Current assets:		
- Cash and cash equivalents	1,498	1,351
- Trade accounts receivable, net	3,371	4,310
- Other current assets	459	282
Total current assets	5,328	5,943
Property, equipment, and leasehold improvements, net	308	318
Operating lease right-of-use assets	463	432
Equity method investments	100	83
Other assets	668	617
Intangible assets, net	292	332
Goodwill	2,449	2,846
Total assets	9,608	10,571
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
- Accounts payable and accrued expenses	3,586	4,106
- Current operating lease liabilities	187	196
- Short-term debt and current maturities of long-term debt	170	172
Total current liabilities	3,943	4,474
Operating lease liabilities	302	265
Long-term debt, less current maturities	1,847	1,577
Other liabilities	379	307
Total liabilities	6,471	6,623
Shareholders' equity		
Adecco Group shareholders' equity:		
- Common shares	10	10
- Additional paid-in capital	574	580
- Treasury shares, at cost	(99)	(66)
- Retained earnings	2,921	3,629
- Accumulated other comprehensive income/(loss), net	(278)	(213)
Total Adecco Group shareholders' equity	3,128	3,940
Noncontrolling interests	9	8
Total shareholders' equity	3,137	3,948
Total liabilities and shareholders' equity	9,608	10,571



Consolidated statements of cash flows

EUR millions	Q2		HY	
	2020	2019	2020	2019
Cash flows from operating activities				
Net income/(loss)	22	159	(326)	292
Adjustments to reconcile net income/(loss) to cash flows from operating activities:				
- Depreciation and amortisation	52	37	103	74
- Impairment of goodwill			362	
- Other charges	(2)	(6)	67	8
Changes in operating assets and liabilities, net of acquisitions and divestitures:				
- Trade accounts receivable	507	(154)	863	(68)
- Accounts payable and accrued expenses	(141)	111	(468)	60
- Other assets and liabilities	(96)	(2)	(190)	(40)
Cash flows from operating activities	342	145	411	326
Cash flows from investing activities				
Capital expenditures	(31)	(30)	(70)	(78)
Cash settlements on derivative instruments		4	2	(15)
Other acquisition, divestiture and investing activities, net	(7)		(19)	(4)
Cash used in investing activities	(38)	(26)	(87)	(97)
Cash flows from financing activities				
Net increase/(decrease) in short-term debt	(10)	15	6	5
Borrowings of long-term debt, net of issuance costs	257	353	259	353
Repayment of long-term debt	(1)		(2)	
Buyback of long-term debt		(211)		(211)
Dividends paid to shareholders	(381)	(360)	(381)	(360)
Purchase of treasury shares	(30)	(3)	(46)	(87)
Other financing activities, net	(2)	(2)	(2)	(4)
Cash used in financing activities	(167)	(208)	(166)	(304)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(30)	(18)	(13)	
Net increase/(decrease) in cash, cash equivalents and restricted cash	107	(107)	145	(75)
Cash, cash equivalents and restricted cash:				
- Beginning of period	1,454	750	1,416	718
- End of period	1,561	643	1,561	643