THE ADECCO GROUP

Q1 2022 report

Alain Dehaze, CEO & Coram Williams, CFO
5 May 2022

Disclaimer & 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 the 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; the impact of the global outbreak of novel coronavirus disease (COVID); 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. This presentation refers to revenue growth yoy on an organic, trading days adjusted basis, unless otherwise stated.

This presentation refers to gross margin development yoy on an organic basis, unless otherwise stated.

'EBITA' refers to operating income before amortisation and impairment of goodwill and intangible assets. This presentation refers to EBITA, EBITA margin and yoy margin development excluding one-offs, unless otherwise stated.

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

'Free cash flow' comprises cash flows from operating activities less capital expenditures.

'Cash conversion' is calculated as last 4 quarters of free cash flow before interest and tax paid (FCFBIT) divided by last 4 quarters of EBITA excluding one-offs.

'Conversion ratio' is calculated as EBITA excluding one-offs divided by gross profit.

'Net debt to EBITDA' is calculated as net debt at period end divided by last 4 quarters of EBITA excluding one-offs plus depreciation.

Today's leadership announcement

- Robust search and thorough selection process conducted
- Denis Machuel appointed as new CEO, from July 1, following handover period
- Future@Work implementation continues
- Clear mandate to drive exceptional execution and growth acceleration

Denis Machuel brings highly relevant CEO experiences and skills to Adecco Group

- Highly experienced and proven international CEO; leadership background in people-focussed business services, tech & engineering consulting
- Group CEO of Sodexo (2018-2021): turned around underperforming segments (including in the US, the Company's largest market), drove digital and data transformation of the legacy core businesses, strengthened execution leading to improved growth
- Group Chief Digital Officer of Sodexo (2015-2018), plus CEO of 2 Global Business Units prior
- Executive Leadership of Group Offshore Strategy & Operations at Altran Group (2005-2007)
- CEO of Altran Technologies (2002-2005)
- Board member of Kyndryl (appointed 2021)

Q1 2022 Group highlights

Financial performance

- Revenues +5%, led by Modis +14%, LHH RS +15%, Adecco APAC +15%
- Gross profit +9%, Permanent Placement +62%
- Step change in gross margin to 21.1%, +100 bps, driven by portfolio shift, positive mix and pricing
- Solid 3.4% EBITA margin, lower yoy, as anticipated, due to Adecco's investment plan, absence of non-recurring benefits and moderated contribution from LHH CT

Strategic progress

- Adecco's investment plan drives overall relative revenue improvement of +400 bps sequentially
- 65% LHH revenues rebranded
- 100% ownership of AKKA from May 12, 2022
- Good line of sight on 100% 2022 targeted synergies, of which >50% secured; first revenue synergies secured

Social impact

- Support to colleagues, associates impacted by war in Ukraine
- >1,300 companies offering opportunities on free-to-post refugee jobs platform

Q1 22 financial overview

Revenues	
€5,446 mn	+5% yoy

Gross profit	
€1,151 mn	+9% yoy[1]
21.1% margin	+100 bps yoy

EBITA excl. one-offs	
€185 mn	
3.4% margin	(80) bps yoy

Basic EPS	
€0.56	(28)% yoy

Cash Flow	
Cash conversion	79%

Balance Sheet	
Net debt / EBITDA	1.6x[2]

[1] Organic [2] Adjusted for the acquisition of AKKA (Proforma)

Adecco: profitable growth to accelerate as new employees reach full productivity

Q1 22 performance

Market share

c.400 bps improvement in relative revenues vs Q4

Main end-market drivers, yoy basis:
- Manufacturing +1.5-2.0%
- Retail +0.5-1.0%
- Logistics (2.5)-(3.0)%
- Mexico regulation (1.0)-(1.5)%

Performance drivers

- +720 FTEs vs Q4 21
- +20% sales intensity yoy, client base up double-digits yoy
- High-value solutions very strong; Perm +64% yoy
- Career Centres added in Japan, Italy, Spain, Benelux, Australia
- Digital platforms +67% yoy[1]
- Dynamic pricing strategy

Actions underway

- Agile investment plan
- Strong focus on US turnaround
- Continued performance management to ensure max. RoI

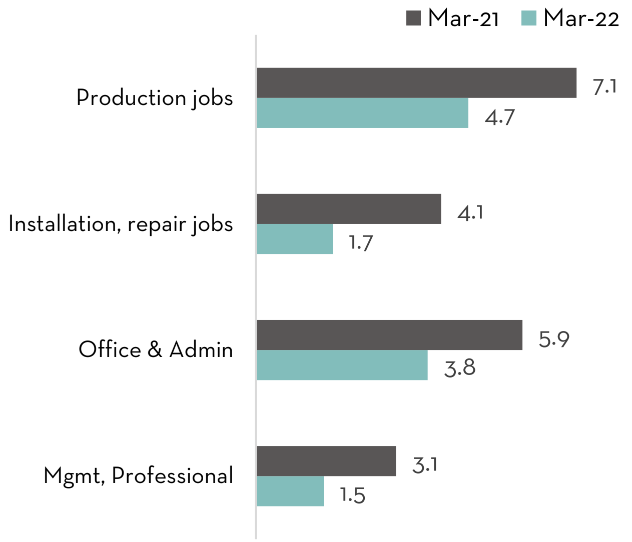
Delivering on Adecco's investment plan

[1] Adia and QAPA revenues, proforma basis (QAPA was acquired in H2 21). RoI = Return on Investment. Sales intensity = client visits per FTE

Labour market imbalances drive demand for our talent services

Unemployment rates approach historic lows, and are extremely tight in certain sectors

US unemployment rates, by occupation (%)[1]



44% of top 25 job profiles "very scarce" in terms of candidate availability[2]

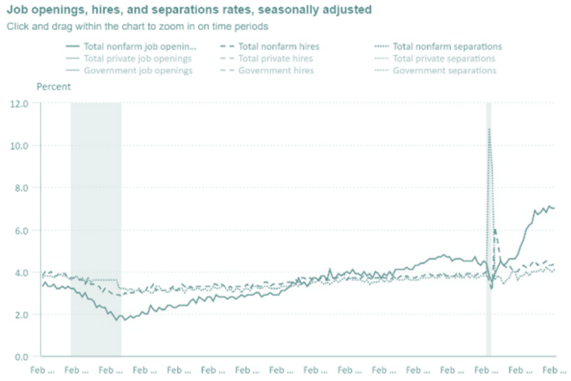
Least supply seen in Adecco for:

- Semi-skilled workers (e.g. maintenance mechanics, welders, electricians)
- Sales & Customer support workers
- IT technicians

Talent scarcity in 75% of job profiles is because of higher client demand[3]

Record high requests in Q1
led by Tech, Finance, Manufacturing clients

US job openings vs hires[1]



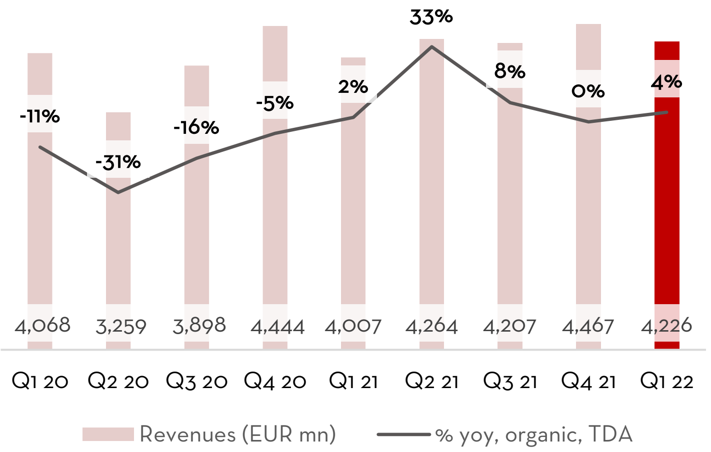
- Available jobs outnumber the pool of workers by 4.5 mn, the highest in post-WW2 history

[1] Source: U.S. Bureau of Labor Statistics and JOLT Survey, Mar22; [2,3] Adecco Branch Survey Q1 22

Adecco: improved revenue performance, solid margin

Revenues **€4.2 bn,** +4% yoy

Share of Group 78%



APAC excelled

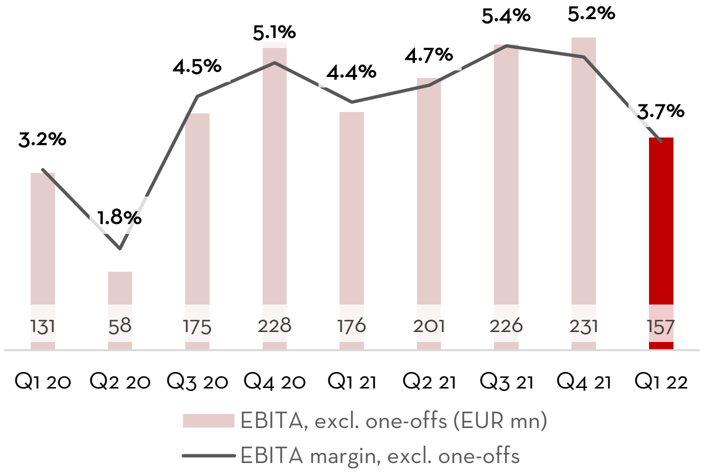
France, Southern Europe & EEMENA strong

DACH robust, Northern Europe soft

Americas slightly improved

EBITA **€157 mn,** 3.7% margin

Share of Group 65%



EBITA margin -70 bps yoy

Favourable mix, pricing

FTEs +14% yoy

Absence non-recurring items

- Flex +2%; strength in manufacturing, retail, F&B, chemicals. Challenging comparison in logistics, soft demand in energy, autos
- Perm +64%; other services +30%, led by outsourcing
- Strong gross margin, driven by positive solutions mix and pricing
- SG&A increased due to investment plan, with headcount added in a balanced, agile way
- EBITA margin reflects investment in capacity and absence of non-recurring benefits vs Q1 21
- Good delivery on strategy, investment plan

Adecco: performance led by France, Italy and APAC

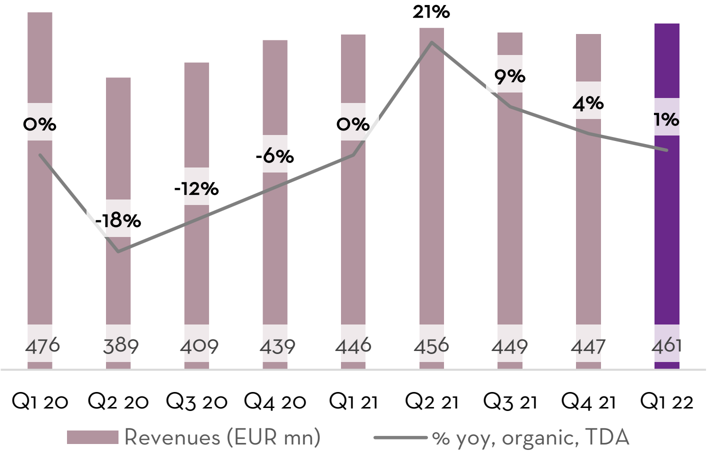
By Segment	Revenues			vs Market		EBITA margin excl. one-offs		
	Share of Group	Q1 22 € mn	**Change, TDA yoy**	Q1 22 vs Market	Trend vs Q4 21	*Share of Group*	Q1 22	**Change, yoy bps**
France	*21%*	1,145	**+9%**	=	↑	*16%*	3.3%	**(160)**
Northern Europe	*11%*	597	**-8%**	-	↑	*4%*	1.7%	**(110)**
DACH	*7%*	363	**+3%**	=	↑	*6%*	3.8%	**+280**
Southern Europe & EEMENA	*18%*	973	**+8%**	=	↗	*22%*	5.5%	**(10)**
Americas	*11%*	615	**-6%**	=	↗	*4%*	1.6%	**(160)**
APAC	*10%*	533	**+15%**	+	↑	*13%*	6.1%	**(90)**
Adecco	***78%***	**4,226**	**+4%**			*65%*	**3.7%**	**(70)**

- France growing ahead of market at end Q1; Manufacturing, consumer, retail strong
- Northern Europe: UK logistics ramp-down weighs; Nordics +9%, Benelux 0%
- Germany, +1%. Strength in retail, manufacturing, headwinds in logistics, autos soft
- SEE: Italy +15%, Iberia +7%, led by manufacturing, prof. services, F&B; EEMENA -13%, logistics rebalancing
- Americas: LatAm -4%, impacted by Mexican regulation; North America -8%. Further modest sequential improvement in US
- APAC: Japan +15%, driven by healthcare; Australia +20%, logistics good

LHH: investment drives strong, profitable growth in Recruitment Solutions

Revenues **€461 mn**, +1% yoy

Share of Group 8%



Recruitment Solutions +15% yoy

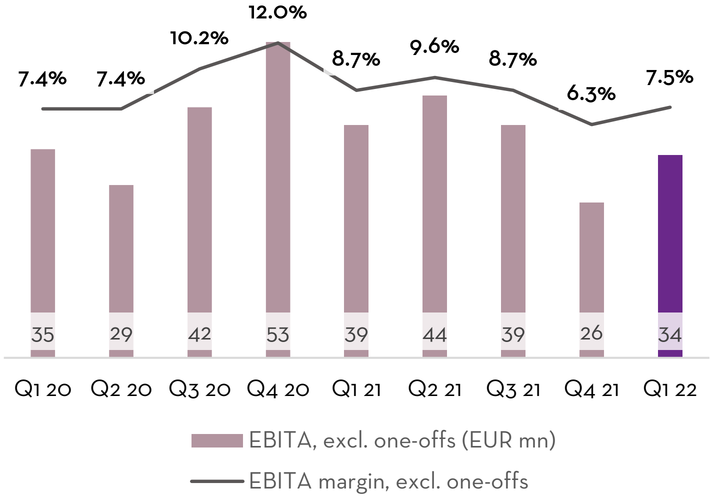
Career Transition & Mobility -35% yoy

Learning & Development +3% yoy

Pontoon & Other +11% yoy

EBITA **€34 mn**, 7.5% margin

Share of Group 14%



EBITA margin -110 bps yoy, organic

Adverse mix

FTEs up, mainly Recruitment Solutions

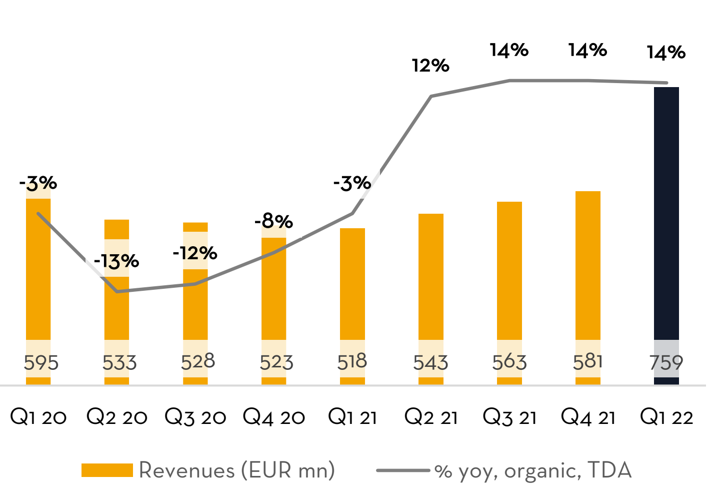
- Market share gains in perm, supported by growth investment. Perm revenues +68%, led by US, France, Germany
- Recruitment Solutions gross profit +37%. FTEs +265 qoq. Productivity improved
- Career Transition stabilising on a sequential basis at low levels. Cost out actions delivering
- Learning & Development robust, led by Talent Development, Ezra +122%
- Strong MSP/RXO in Pontoon; Hired +145%
- 65% revenues now rebranded

The LHH GBU was previously known as Talent Solutions. Recruitment Solutions activities were formerly known as Professional Recruitment. Career Transition & Mobility was part of the legacy LHH business. Learning & Development includes part of the legacy LHH business, as well as General Assembly and Ezra. Pontoon & Other includes Hired.

Akkodis: broad-based revenue strength, strong execution

Revenues **€759 mn**, +14% yoy

Share of Group 14%



Modis Americas +19% yoy

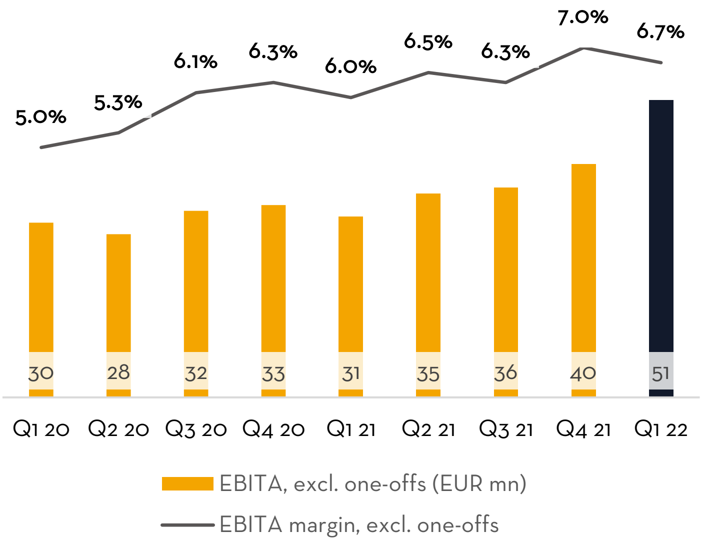
Modis EMEA +12% yoy

Modis APAC +9% yoy

AKKA contribution ~€150 mn

EBITA **€51 mn**, 6.7% margin

Share of Group 21%



EBITA margin +70 bps yoy

Positive country mix, pricing actions

- AKKA contribution from Feb 24, 2022
- Tech Talent Services +17%, Tech Consulting +7%, Tech Academy +50%
- Strong performance in all regions: Americas and EMEA growth led by Talent Services; APAC, led by Japan, benefiting from continued focus on Consulting
- Germany affected by higher sickness rates, highly competitive market for talent
- Mid-single-digit growth in AKKA stand-alone in Q1, driven by France
- Akkodis project pipeline strong

Akkodis: integration gathers further pace

ACQUISITION & INTEGRATION

- ✓ Regulatory filings, approvals processes firmly on track
- ✓ Financing synergies of ~€10 mn p.a. secured
- ✓ Integration team mobilised, plans progressing at speed
- ✓ Clear view on Day 1 operating model, milestones thereafter
- ✓ Actively mitigating key risks e.g. talent programme

- ✓ 64.72% ownership, as at Feb 24, 2022
- ✓ Highly experienced leadership, led by Jan Gupta
- ✓ Dominique Cerruti appointed Senior Advisor
- ✓ Akkodis announced as future global brand
- ✓ Synergy targets assigned
- ✓ 1st phase MTO closed, squeeze-out underway
- ✓ Cultural & communication programmes ramped

Focus on future operating model, functional integration

→ **May 12, onwards**

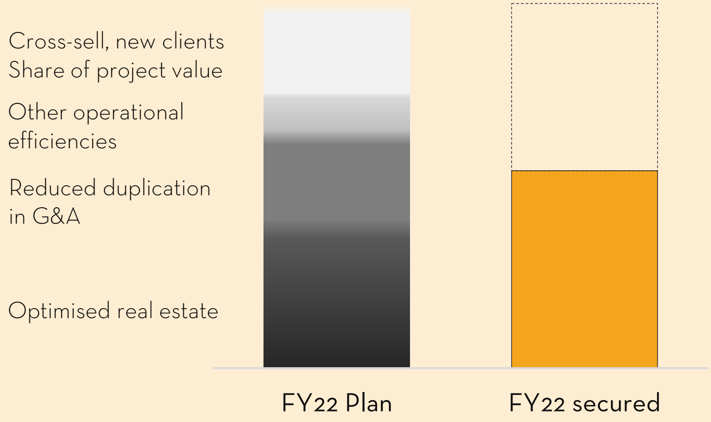
Operating as one and delivering synergies

H2 2021 H1 2022

SYNERGIES

2022 update

(Revenue and cost synergies, in EBITA terms)



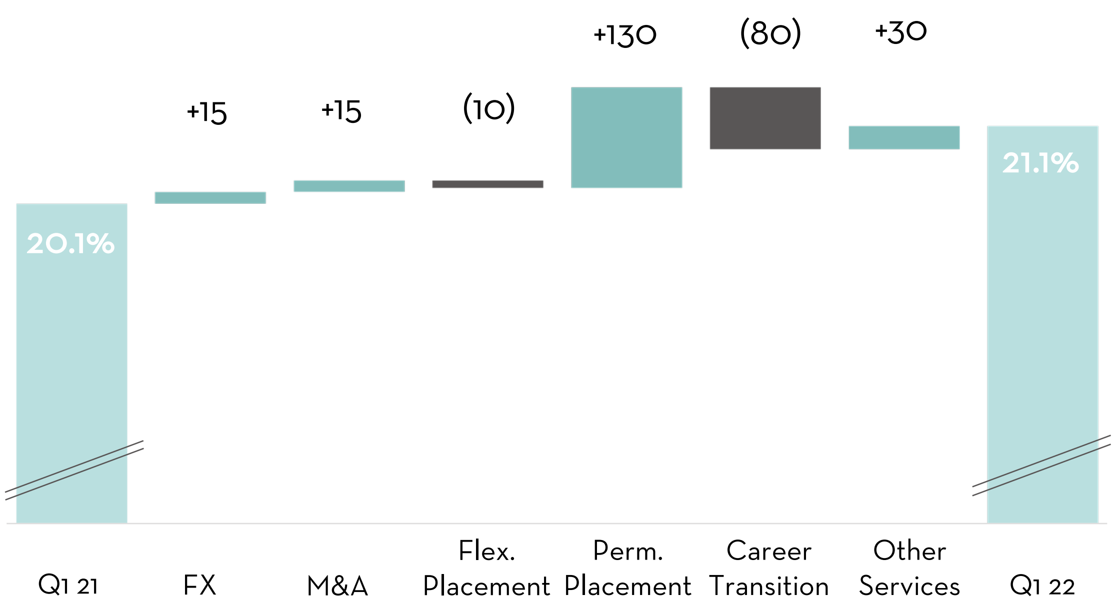
- Good line of sight on **100% of 2022 target or ~€20 mn** synergies
- >50% 2022 synergies secured
- First revenue synergies secured

Target year 5 run-rate +€200 mn revenue synergies, €65 mn EBITA synergies

EBITA margin lowered by peak level in growth investments

Gross Profit bridge

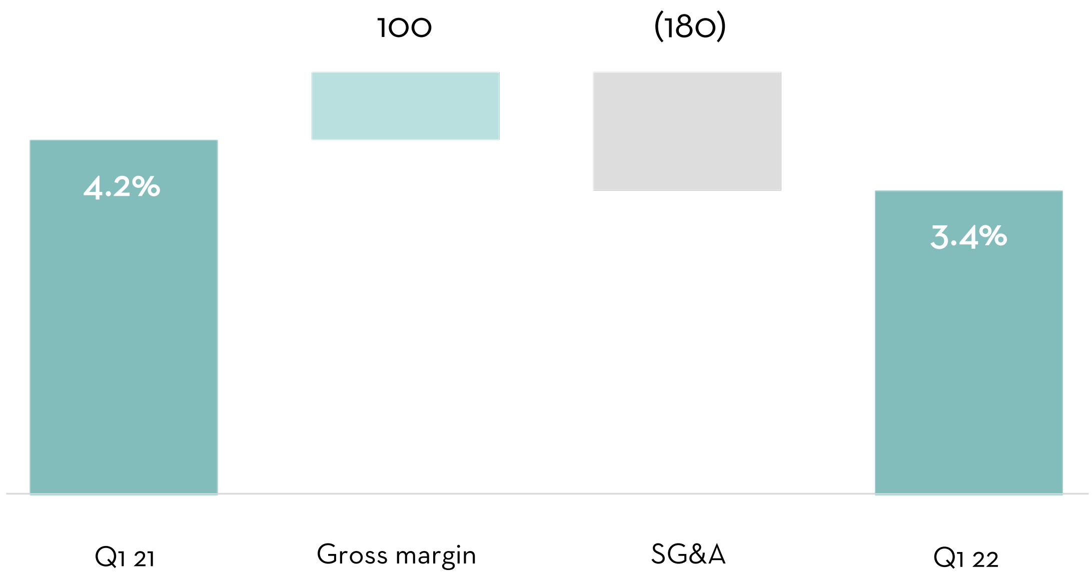
(% of revenues yoy, in bps)



	Flex. Placement	Perm. Placement	Career Transition	Other Services
Gross Profit (% yoy, organic)	+2%	+62%	-35%	+25%
as % Group, approx.	55%	20%	5%	20%

EBITA bridge

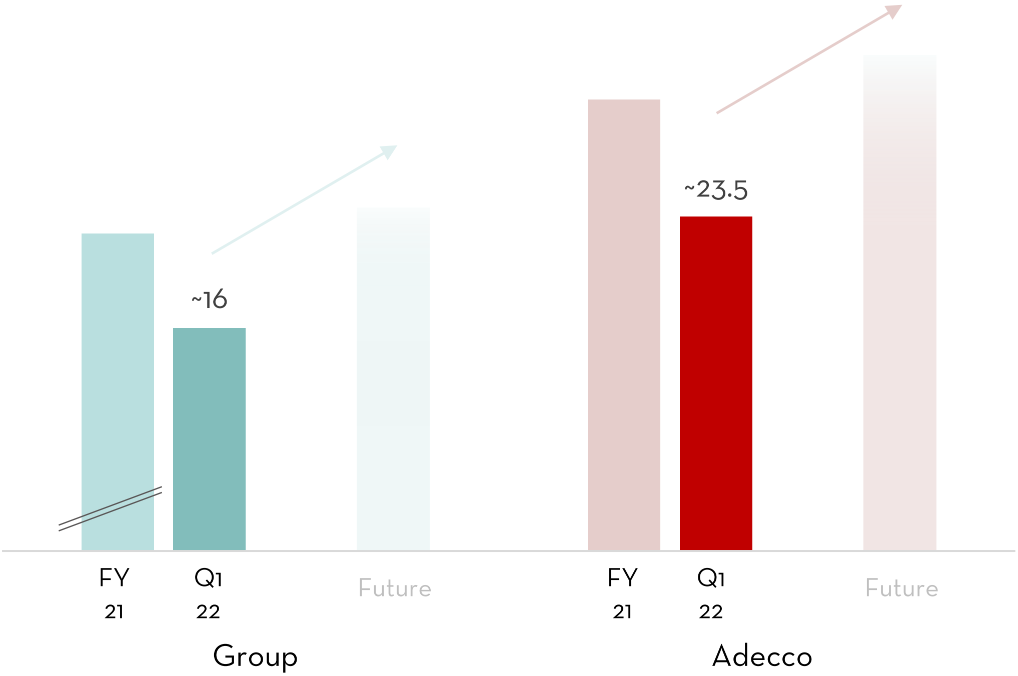
(% of revenues, yoy, in bps and excl. one-offs)



Sustained operational discipline

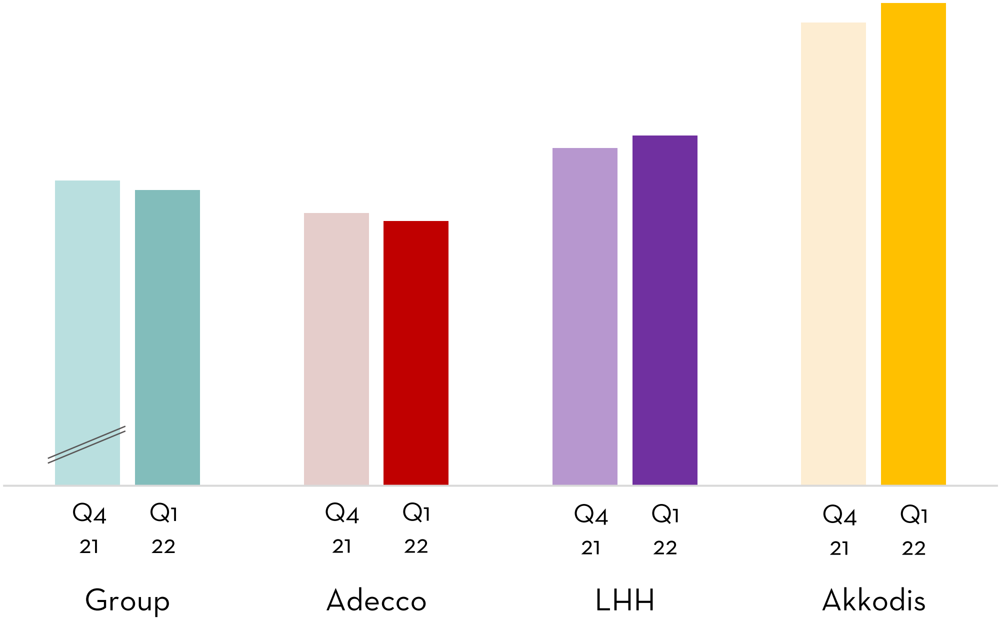
Conversion Ratio

Group and Adecco GBU
(GP / EBITA organic, excl. one-offs, %)



Productivity Ratio

Group and by GBU (GP / FTE, excl. one-offs)



- Group Productivity -3.8% yoy
- Group FTEs +13.5% yoy

Outlook

Near-term perspective

- The Group's trading momentum indicates healthy demand for talent services in a talent scarce and wage inflationary environment, whilst recognising the challenges from the war in Ukraine and continued COVID-related global supply chain issues

Financial framework

- The Group expects its year-on-year revenue growth rate to improve in Q2 when compared to Q1's result, driven by growth investments
- EBITA margin is expect to improve sequentially, while being lower year-on-year, reflecting agile investment, particularly in Adecco

2022 Priorities

Adecco

Push for higher organic growth. Drive US turnaround

LHH

Grow value of integrated solutions offering

AKKODIS

Integrate AKKA & Modis; deliver 2022 targeted synergies

THE ADECCO GROUP

Drive digital & ecosystem benefits

Good progress through Q1 toward delivery of 2022 ambitions

Q&A

Appendix

Additional financial framework

EUR mn, unless otherwise stated	FY 2022 Est.	Q1 2022 A
AKKA integration and related costs[1]	(70)	(18)
One-off costs	(30)	(1)
PPA-related amortisation	~ (100)[2]	(20)
Interest expense	↑ ~ (40)	(10)
Effective tax rate	~ 28%	26.1%
Capital expenditure	(150)[2]	(38)

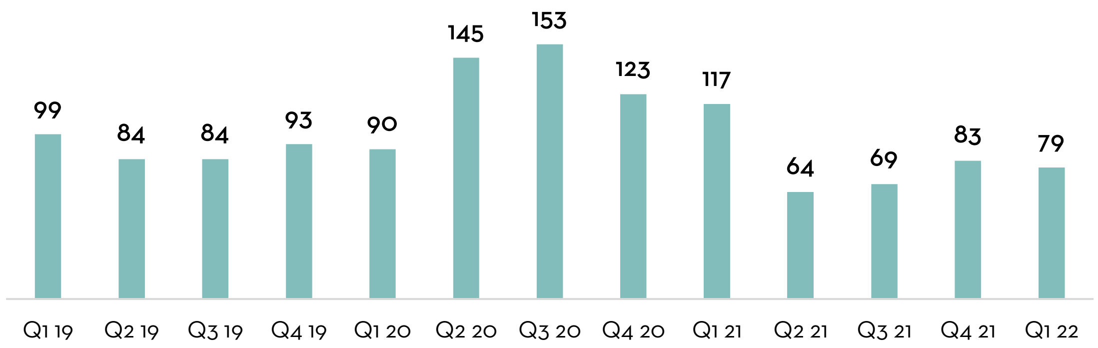
Key

↑ New or changed guidance

[1] Note: AKKA integration and related costs can impact both operational and non-operational costs
[2] Not adjusted for potential PPA-related amortisation / capex from AKKA's acquisition

Solid cash conversion; net debt higher due to AKKA acquisition

Cash conversion 79%



- Ratio driven by normal working capital absorption from growth
- DSO 51 days, same level as in Q1 21
- Cash flow from operating activities €55 mn

Net debt / EBITDA 1.6x, proforma[1]

- End Q1 proforma net debt €1,811 mn
- Change mainly related to acquisition of AKKA

[1] Proforma net debt / EBITDA ratio, excluding one-offs and adjusted for AKKA