



THE ADECCO GROUP

AD HOC ANNOUNCEMENT pursuant to Art. 53 Listing Rules of SIX Swiss Exchange
Group press release, Zurich, Switzerland, February 28, 2023

Q4 & FULL YEAR 2022 RESULTS

Winning market share; strong revenue growth and gross margin

Q4 HIGHLIGHTS

- Revenues +13% reported, +5% yoy organic TDA¹; up in all GBUs
- Strong return on growth investment plan driving market share gains; relative revenue growth +550 bps in Q4, with improvement of +1,500 bps yoy. France, DACH, APAC and LatAm clearly outperform
- Strong gross margin of 21.0%, supported by portfolio shift, positive mix, and pricing
- Robust EBITA margin excl. one-offs of 3.7%; mainly reflecting lower benefit from special items, growth investment, a lower contribution from Adecco US, LHH Recruitment Solutions and accretion from AKKA; productivity +2% qoq
- Operating income €113 million, reflecting higher amortisation and one-offs, both relating to the AKKA acquisition
- Basic EPS €0.39; Adjusted EPS €0.76

FULL YEAR HIGHLIGHTS

- Revenues +13% reported, +5% yoy organic TDA¹; up in all GBUs
- Strong gross margin of 21.0%, supported by portfolio shift, positive mix, and pricing
- Robust EBITA margin excl. one-offs of 3.5%, mainly reflecting lower benefit from special items, growth investment, a moderated contribution from LHH and Adecco US and accretion from AKKA
- Operating income €547 million, reflecting higher amortisation and one-offs, both relating to the AKKA acquisition
- Basic EPS €2.05; Adjusted EPS €3.28
- AKKA delivers EBITA margin and EPS accretion in year 1²; ~€25 million synergies realised
- Healthy 70% cash conversion maintained in investment phase: Cash Flow from Operating Activities €543 million
- Simplify, Execute, Grow agenda driving positive momentum: Global Sales restructured; Ian Lee appointed to Executive Committee as President, Geographic Regions to ensure local perspectives are represented
- Proposed dividend per share CHF 2.50, composed of CHF 1.85 gross plus CHF 0.65 from reserves not subject to withholding tax

Denis Machuel, Adecco Group CEO, commented:

“The Group had a strong finish to 2022 as we continued to drive momentum from our investment plan. We achieved excellent growth in Q4, with Adecco significantly outpacing the market. The newly combined Akkodis business performed well, over-delivering on its synergy target for 2022 and tracking on target for synergy capture for 2023. In LHH, our digital coaching business, Ezra, posted strong growth, and our Career Transition business delivered excellent results as the team successfully captures increasing demand amidst an uptick in corporate restructuring driven by the US technology sector.

Gross margins were strong for the quarter. Our Simplify, Execute, Grow agenda is being progressed across the organisation to accelerate implementation of our existing strategy and improve both operational and financial performance. We are very confident we will achieve the planned cost reduction target. Looking ahead, we are laser focused on driving share gains, with enhanced productivity and profitability, across all our business units this year.”

KEY FIGURES

EUR millions, unless otherwise stated	Q4 22	Q4 21	CHANGE		FY 22	FY 21	CHANGE	
			Reported	Organic			Reported	Organic
Revenues	6,212	5,495	+13%	+5% ¹	23,640	20,949	+13%	+5% ¹
Gross profit	1,302	1,140	+14%	+2%	4,974	4,281	+16%	+6%
EBITA excl. one-offs ²	228	259	-12%	-26%	833	953	-13%	-22%
Operating income	113	191	-41%	-39% ³	547	780	-30%	-29% ³
Net income/(loss) ⁴	65	184	-65%		342	586	-42%	
Basic EPS	0.39	1.11	-65%		2.05	3.62	-43%	
Adjusted EPS ⁵	0.76	1.22	-38%		3.28	4.21	-22%	
Gross profit margin	21.0%	20.7%	+30 bps	-20 bps	21.0%	20.4%	+60 bps	+20 bps
EBITA margin excl. one-offs	3.7%	4.7%	-100 bps		3.5%	4.6%	-110 bps	
Cash flow from operating activities	459	272	+187		543	722	-179	
Cash conversion ratio ²	70%	83%			70%	83%		
Net debt/EBITDA excl. one-offs ²	2.5x ⁶	0.0x			2.5x ⁶	0.0x		

Q4 financial performance

Revenues

Fourth quarter revenues of EUR 6,212 million were up 5 percent organic and TDA (3 percent organic, 13 percent reported). Currency translation effects had a net positive impact of 200 basis points and M&A activities a net positive impact of 800 basis points. There was a 200 basis points negative impact from the number of working days.

At the Global Business Unit level, organically and TDA, Adecco revenues were up 6 percent (5 percent reported), LHH revenues were up 1 percent (5 percent reported), and Akkodis revenues rose 6 percent (83 percent reported, including AKKA).

Compared to the prior year, Career Transition revenues were up 15 percent organically (22 percent reported), while Outsourcing, Consulting & Other Services was up 18 percent (73 percent reported, including AKKA's integration), and Training, Upskilling & Reskilling services were 14 percent higher (22 percent reported). Flexible Placement grew 1 percent (4 percent reported), and Permanent Placement was up 3 percent (9 percent reported).

Q4 REVENUES (CHANGE YEAR-ON-YEAR)

Group, by growth driver		Group, by Global Business Unit		Group, by Service Line			
		Reported	Organic, TDA	Reported	Organic		
Organic, TDA	+5%	Adecco	+5%	+6%	Flexible Placement	+4%	+1%
TDA	-2.0%	LHH	+5%	+1%	Permanent Placement	+9%	+3%
Currency	+2.0%	Akkodis	+83%	+6%	Career Transition	+22%	+15%
M&A	+8.0%				Outsourcing, Consulting & Other Services	+73%	+18%
					Training, Upskilling & Reskilling	+22%	+14%
Group	+13%	Group	+13%	+5%	Group	+13%	+3%

¹ On an organic and trading days adjusted basis. ² For further details on the use of non-GAAP measures in this release, please refer to the 2021 Annual Report. ³ In constant currency terms. ⁴ Attributable to Adecco Group shareholders. ⁵ Please see page 14 for the description of this non-GAAP measure. ⁶ Adjusted for the acquisition of AKKA (Proforma).

Gross profit

Gross profit was EUR 1,302 million, up 2 percent organically (14 percent reported) in the fourth quarter period. Gross margin was 21.0 percent, 20 basis points lower organically (up 30 basis points reported).

On an organic basis, gross margins benefited from 20 basis points positive contribution from Career Transition and 10 basis points positive contribution from Permanent Placement. These benefits were outweighed by a 50 basis points lower contribution in Flexible Placement, largely reflecting lower benefit from special items. Currency effects were 30 basis points positive, and M&A was 20 basis points positive.

Selling, General & Administrative expenses (SG&A)

SG&A excluding one-offs was EUR 1,082 million, 10 percent higher organically reflecting investment in headcount to drive growth (22 percent reported, including AKKA as well as unfavourable currency impact of ~500 basis points). Full-time Employees ("FTEs") were up 8 percent organically, and 14 percent reported, including AKKA, to 39,364. Branches were up 5 percent, to 4,586.

EBITA

EBITA excluding one-offs was EUR 228 million, compared to EUR 259 million in the prior period.

The EBITA margin excluding one-offs was 3.7 percent, up 10 basis points sequentially. The year-on-year -100 basis points differential was driven by lower benefit from special items, investment in growth and a moderated contribution from Adecco US and LHH Recruitment Solutions, partly mitigated by accretion from the AKKA transaction and a higher contribution from LHH Career Transition & Mobility. Income from the Group's FESCO Adecco JV in China was EUR 8 million, from 6 million in the prior year period.

One-off costs were EUR 73 million, mainly reflecting charges taken as part of the plan to boost performance in Akkodis Germany as well as AKKA integration and related costs.

Amortisation of Intangibles

Amortisation of intangible assets was EUR 42 million in the quarter, from EUR 20 million in the prior year period, with the difference primarily driven by the acquisition of AKKA.

Operating income

The Group generated an operating income of EUR 113 million, 41 percent lower, due to the aforementioned items.

Net income and EPS

Net income attributable to Adecco Group shareholders was EUR 65 million, from EUR 184 million in the fourth quarter 2021. The result reflects lower income from operations, interest expense of EUR 15 million, and other income/(expenses), net of EUR 21 million. Income taxes amounted to EUR 12 million, with an effective tax rate of 15.6 percent including discrete events.

Basic EPS was EUR 0.39, 65 percent lower compared to the prior year period's EUR 1.11. Adjusted EPS, which is the Group's net income excluding a total EUR 61 million for amortisation of intangibles, one-off costs and associated tax effects, divided by basic weighted-average shares outstanding, was EUR 0.76, compared to the prior year period's EUR 1.22.

Cash flow and net debt

Cash flow from operating activities was EUR 459 million in the quarter, compared to EUR 272 million in the prior year period. Cash flow was impacted by lower business income while benefiting from favourable working capital development. DSO was 53 days, from 51 days in the prior year period, mainly reflecting a shift in business mix.

The rolling last four quarters cash conversion ratio was 70 percent, compared to 83 percent in Q4 2021, a healthy result during a period of increased growth investment and AKKA integration related one-off costs.

Net debt was EUR 2,455 million at end Q4 2022. The Net Debt to EBITDA ratio, excluding one-offs and adjusted for AKKA was 2.5x, in line with management expectations. The Group is firmly committed to decreasing its leverage going forward.

As a reminder, the Adecco Group issued EUR 1,500 million of senior and subordinated debt in H2 2021 at attractive terms to finance AKKA's acquisition. In addition, the Group has a robust financial structure, with fixed interest rates on 78 percent of its outstanding gross debts, no financial covenants on any of its outstanding debts, a well-balanced bond maturity profile and strong liquidity including an undrawn EUR 1,000 million revolving credit facility. In addition, the company has no bonds maturing until end 2024.

Global Business Unit results

Unless otherwise noted, all growth rates in this section refer to the same period in the prior year, with revenues stated on an organic and trading days adjusted (TDA) basis, and EBITA or EBITA margins stated excluding one-offs.

ADECCO

EUR millions, unless otherwise stated	Revenues				EBITA margin excl. one-offs	
	Q4 22	Q4 21	CHANGE (yoy)		Q4 22	CHANGE (bps, yoy)
			Reported	Organic, TDA		
Adecco	4,673	4,467	+5%	+6%	3.5%	(170)
France	1,301	1,243	+5%	+6%	5.3%	(80)
Northern Europe	613	619	-1%	+3%	2.3%	(150)
DACH	423	362	+17%	+19%	-0.1%	(560)
Southern Europe & EEMENA	1,071	1,056	+1%	+3%	5.2%	(120)
Americas	707	675	+5%	-3%	-0.2%	(340)
APAC	558	512	+9%	+14%	4.7%	+40

Adecco's revenues grew 6 percent in the fourth quarter, boosted by strength in France and very strong results from DACH and APAC. Northern Europe and Southern Europe & EEMENA both grew moderately, while the Americas were mixed.

Adecco continues to deliver on its ambition to drive market share gain by leveraging its H1 investment programme and increased its growth leadership versus major competitors in the fourth quarter. It delivered relative revenue growth +550 basis points ahead of market in the fourth quarter, bringing the full-year improvement to +1,500 basis points year-on-year. In relative terms, France, DACH, APAC and LatAm regions all clearly outperformed.

Flexible Placement revenues were 2 percent higher. On a sector basis, growth was led by autos and IT tech. Manufacturing activity was robust, while continued rebalancing in logistics impacted growth by approximately (150) basis points. Revenues were very strong in Permanent Placement, up 24 percent, led by Germany, Italy, and Iberia, and in Outsourcing, up 22 percent, led by Japan and LatAm.

Gross margin was healthy, supported by favourable solutions mix and pricing. The 3.5 percent EBITA margin mainly reflects lower benefit from special items that flattered the prior year period, investment in growth and a lower contribution from Adecco US.

Segment results

Adecco France

- France delivered strong revenue growth of 6 percent in the quarter, outperforming the market, supported by excellent performance in QAPA as well as Onsite. In sector terms, healthcare, autos, and manufacturing were strong, while logistics was soft.
- The strong EBITA margin reflects favourable solutions mix and pricing as well as lower benefit from special items.

Adecco Northern Europe

- Revenues from UK & Ireland were 3 percent higher, with strong growth in finance and services, partly mitigated by subdued activity in logistics. In the Nordics, revenues were up 2 percent, led by Finland, while in Benelux, revenues were up 3 percent.
- The EBITA margin reflects positive gross margin development and investment in growth.

Adecco DACH

- Germany recorded outstanding growth of 24 percent, showing strong return on investment. Growth was broad-based but benefited particularly from autos, professional services and logistics strength. Switzerland & Austria grew 11 percent.
- The EBITA margin development reflects lower benefit from special items, the timing of incentive accruals and higher sickness rates. On an underlying basis, the EBITA margin was robust.

Adecco Southern Europe & EEMENA

- Moderate revenue growth was achieved in Italy, up 2 percent on a tough comparison period, while growth in Iberia and EEMENA was stronger, at 5 percent and 7 percent respectively. Manufacturing, F&B and consulting sectors developed favourably while logistics was soft.
- The strong EBITA margin reflects positive mix and pricing and growth investment.

Adecco Americas

- Latin America revenues were up 21 percent, led by Argentina and Mexico, with the segment gaining share. In North America, revenues were 13 percent lower. Revenues in the US were challenged, reflecting compressed peak season demand. At the same time, relative performance trended positively, and operational green shoots were strengthened, for example with improved sales intensity and fill rates, and lowered voluntary turnover.
- The EBITA margin reflects the ongoing turnaround effort in the US and lower benefit from special items.

Adecco APAC

- The region reported very strong revenue growth of 14 percent. Japan, Asia and India all recorded excellent revenue growth; 20 percent in Japan, and 19 percent in both Asia and India. This strength was partly mitigated by performance in Australia & New Zealand, where revenues were 11 percent lower, weighed by the end of a large government contract. End-market growth was broad-based, led by IT Tech and retail.
- The strong EBITA margin reflects higher volumes, favourable solutions mix and investment in growth.

LHH

<i>EUR millions, unless otherwise stated</i>	Revenues				EBITA margin excl. one-offs	
	Q4 22	Q4 21	CHANGE (yoy)		Q4 22	CHANGE (bps, yoy)
			Reported	Organic, TDA		
LHH	472	447	+5%	+1%	5.6%	(70)
Recruitment Solutions				-7%		
Career Transition & Mobility				+19%		
Learning & Development				+0%		
Pontoon & Other				+8%		

The LHH business unit delivered 1 percent revenue growth in the fourth quarter. By segment:

- Recruitment Solutions revenues were 7 percent lower, reflecting a tough comparison and market deceleration in the US. Gross profit was 7 percent lower, with Permanent Placement fees 2 percent lower. Excluding the US, gross profit was 4 percent higher.
- Career Transition & Mobility revenues were up 19 percent, driven by major project wins in the US, focused on the tech sector.
- Learning & Development revenues were flat, with Ezra up 40 percent.
- In Pontoon & Other, MSP and RPO, combined, grew 14 percent. Hired's revenue growth was tempered by the downturn in the US tech sector.

A higher gross margin this quarter reflects favourable mix, including better volumes in Career Transition & Mobility as well as good pricing and fee dynamics in Recruitment Solutions. The EBITA margin of 5.6 percent was 70 basis points lower, albeit up 190 basis points sequentially. Margins were weighed by lower contribution from Recruitment Solutions and investment to scale Ezra. Management will continue to right-size Recruitment Solutions to improve productivity.

AKKODIS

<i>EUR millions, unless otherwise stated</i>	Revenues				EBITA margin excl. one-offs	
	Q4 22	Q4 21	CHANGE (yoy)		Q4 22	CHANGE (bps, yoy)
			Reported	Organic, TDA		
Akkodis	1,067	581	+83%	+6%	7.1%	+10
Modis Americas				+7%		
Modis EMEA				+3%		
Modis APAC				+9%		
AKKA	437	n.a.				

Akkodis delivered strong revenue growth of 6 percent in the quarter. On a segment basis, Modis APAC grew 9 percent, supported by expansion in engineers and very high utilisation levels. Americas grew 7 percent, a good result given a tough comparison period and a slowing IT staffing market. Consulting activities grew notably well. Modis EMEA was up 3 percent, with solid growth in both France and Germany.

While Akkodis' growth in Germany was solid this quarter, actions to hasten Germany's pivot to Smart Industry, including by improving the efficiency of its organisational structure, were put in motion during the quarter. Consequently, one-time restructuring charges of approximately EUR 29 million were recorded by the Group.

AKKA contributed EUR 437 million of revenues in the period and, on a stand-alone basis, grew in line with the legacy Modis business. Growth in Data Respons and from AKKA France was strong.

Akkodis' EBITA margin was 7.1 percent, benefiting from strong synergy delivery and utilisation rates.

The AKKA integration has progressed well. In 2022 approximately EUR 25 million of synergies were realised, mainly from reduced overheads such as real estate, as well as from project wins. To date, management have secured revenue synergies with a total contract value of approximately EUR 90 million. The year-end total synergy run rate, in EBITA terms, is estimated at approximately EUR 45 million, which compares favourably to targeted year two synergies of EUR 50-55 million.

The AKKA acquisition has delivered EBITA margin accretion and mid-single-digit EPS accretion to the Adecco Group in year one, in line with management expectations for this transaction.

FY 2022 financial performance

EUR millions, unless otherwise stated	Revenues				EBITA margin excl. one-offs	
	FY 22	FY 21	CHANGE (yoy)		FY 22	CHANGE (bps, yoy)
			Reported	Organic, TDA		
Adecco	17,885	16,946	+6%	+5%	3.8%	(110)
LHH	1,872	1,798	+4%	+1%	5.8%	(250)
Akkodis	3,883	2,205	+76%	+10%	6.4%	(10)
Adecco Group	23,640	20,949	+13%	+5%	3.5%	(110)

The Adecco Group delivered strong results, with revenues up 5 percent and gross profit up 6 percent, supported by healthy trading conditions and, moreover, the Group's investment in people and digital to drive growth.

Within the Adecco Global Business Unit, revenue growth was led by the APAC region, up 13 percent, the DACH region, up 9 percent, and France, up 7 percent. Southern Europe & EEMENA was solid, with 5 percent growth. Northern Europe revenues were soft, 2 percent lower, a good result given challenges from the logistics sector. Revenues from the Americas were 3 percent lower, as headwinds from Mexican regulatory change and the Adecco US business outweighed strong growth from most other Latin American countries. At LHH, Recruitment Solutions' revenues rose 4 percent, supported by a healthy market particularly in the first half of the year. The business units' growth was held back by the counter-cyclical Career Transition & Mobility business, where revenues were 18 percent weaker due to the market downturn in outplacement activities. In Akkodis, the legacy Modis business delivered 10 percent growth, up from 9 percent in 2021, led by Modis Americas, up 14 percent, and Modis APAC, up 10 percent.

Gross margin expanded 60 basis points to 21.0 percent, supported by the shift in Adecco Group's portfolio toward higher-value activities, in addition to favourable mix and dynamic pricing. Gross margins expanded in Adecco and LHH and were flat at Akkodis. For the full year, full time employees increased 12 percent organically.

The 3.5 percent EBITA margin was 110 basis points lower compared to the prior year, albeit steadily increasing in each quarter period following the first quarter's 3.4 percent result. Performance reflects less support from special items which flattered the prior year period, investment in growth, a moderated contribution from LHH (mainly Career Transition & Mobility) and Adecco US, as well as accretion from the AKKA transaction.

Net income attributable to Adecco Group shareholders was EUR 342 million, with a basic EPS of EUR 2.05, 43 percent lower year-on-year. On an adjusted basis, EPS was EUR 3.28, 22 percent lower year-on-year. The basic weighted average number of shares was 166,822,663.

Cash flow from operating activities was solid at EUR 543 million, from EUR 722 million in the prior year, weighed by lower business income, working capital absorption to drive growth, and higher one-off cash costs, mainly for AKKA's integration.

Future@Work Reloaded update

The Group is progressing its Future@Work Reloaded strategy to improve performance with a plan centred in three levers: Simplify, Execute and Grow.

SIMPLIFY: The Group will improve organisational effectiveness by simplifying the way it operates.

EXECUTE: The Group will empower decision-making by those closest to customers, at the GBU and local level, to improve execution.

GROW: The Group will prioritise ways to grow market share, pivoting from an EBITA percentage focus to a balanced revenue and EBITA growth focus.

The Group is driving positive momentum as it implements the Simplify, Grow, Execute agenda. Among the initiatives taken to date, the Group's Global Sales organisation has been restructured, with two-thirds of the team's resources moved to the local level to improve customer delivery. The Group has high confidence it will achieve the EUR 150 million G&A cost reduction target, with a taskforce established to support local, regional and GBU efforts to de-layer and improve speed.

Executive Committee changes

As part of the Simplify, Execute and Grow agenda, the Group announced in November 2022 that it would combine IT and Digital functions with efficiency at the core. Consequently, Ralf Weissbeck, Group Chief Information Officer, and Teppo Paavola, Group Chief Digital Officer, will step down from the Executive Committee on March 31, 2023. A search for a Group IT & Digital Officer is underway; Rob James, former CIO of Adecco Group, is supporting IT & Digital, ad interim.

In January 2023, the Group appointed with immediate effect, Ian Lee as President, Geographic Regions. This newly created role ensures local perspectives are represented at the EC level. Ian has been with Adecco Group since 2017 and will continue to serve as President of Adecco APAC. He is a highly respected and experienced leader with a successful track record of working in global organisations.

Proposed auditor

The Board of Directors will propose the re-election of EY as the Group's statutory auditors for the 2023 financial year at the 2023 AGM. In 2022, the company conducted an extensive auditor tender process given the tenure of EY as the Group's auditor. Consequently, the Board plans to propose PwC for election at the 2024 AGM as statutory auditor of the company for the financial year 2024, starting January 1, 2024.

Proposed dividend

Considering the Group's robust performance in an uncertain market environment, its solid cash flow position, and confidence in the Group's prospects, the Board of Directors will propose to the 2023 AGM for approval a dividend per share ("DPS") of CHF 2.50 to be distributed in 2023. The proposal is aligned with the Group's progressive dividend policy, including its commitment to holding Swiss franc DPS at least in line with the prior year.

The CHF 2.50 is split between a gross dividend of CHF 1.85 per registered share paid out of available earnings, subject to withholding tax in Switzerland, and CHF 0.65 per registered share paid out of free reserves, not subject to withholding tax in Switzerland.

Outlook

The Group's December exit rate was strong at around 6 percent. While volumes in January have softened, the market for talent services remains dynamic. The Group is well positioned to capture market share opportunities in a rapid and agile manner. In the first quarter, the Group expects both gross margin and SG&A expenses (excluding one-offs) to be broadly in line with Q4 2022's levels, in a seasonally lower margin quarter.

More information

The Q4 2022 results press release is available on the Investor Relations [website](#). The Q4 2022 results presentation will be available at 09:00 a.m. CET.

A live webcast for analysts and investors is scheduled today, February 28, starting at 09:30 a.m. CET (08:30 a.m. GMT). The webcast can be followed via the Investor Relations section of the Group's [website](#).

Questions from analysts and investors can be made by telephone:

UK/Global +44 (0)20 7107 0613; USA +1 (1) 631 570 5613; Switzerland +41 (0)58 310 5000

Once joined via telephone, please press * and 1 to enter the queue. Please [register](#) at least 10 minutes prior to the start of the presentation.

A reply will be made available after the event and can be accessed at any time on our [website](#).

Financial calendar

- AGM 12 April 2023
- Ex-Dividend date 18 April 2023
- Q1 2023 results 4 May 2023
- Q2 2023 / Half Year 2023 results 3 August 2023

About The Adecco Group

The Adecco Group is the world's leading talent company. Our purpose is making the future work for everyone. Through our three global business units - Adecco, Akkodis and LHH - across 60 countries, we enable sustainable and lifelong employability for individuals, deliver digital and engineering solutions to power the Smart Industry transformation and empower organisations to optimise their workforces. The Adecco Group leads by example and is committed to an inclusive culture, fostering sustainable employability, and supporting resilient economies and communities. The Adecco Group AG is headquartered in Zurich, Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN).

Important notice about forward-looking information

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; the impact of the global outbreak of novel coronavirus disease (COVID); 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.

Zurich, February 28, 2023

Denis Machuel, CEO

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Revenues by segment

Revenues by segment EUR millions	Q4		Variance % 22 vs 21				% of revenues Q4 2022	FY		Variance % 22 vs 21				% of revenues FY 2022
	2022	2021	EUR	Constant currency	Organic	Organic TDA		2022	2021	EUR	Constant currency	Organic	Organic TDA	
Adecco France	1,301	1,243	5%	5%	5%	6%	21%	4,992	4,665	7%	7%	6%	7%	21%
Adecco Northern Europe	613	619	-1%	1%	1%	3%	10%	2,437	2,507	-3%	-3%	-2%	-2%	11%
Adecco DACH	423	362	17%	14%	14%	19%	7%	1,576	1,426	11%	8%	8%	9%	7%
Adecco Southern Europe & EEMENA	1,071	1,056	1%	2%	2%	3%	17%	4,083	3,925	4%	5%	5%	5%	17%
Adecco Americas	707	675	5%	-5%	-5%	-3%	11%	2,643	2,492	6%	-3%	-3%	-3%	11%
Adecco APAC	558	512	9%	13%	13%	14%	9%	2,154	1,931	12%	12%	12%	13%	9%
Adecco	4,673	4,467	5%	4%	4%	6%	75%	17,885	16,946	6%	4%	4%	5%	76%
LHH	472	447	5%	-2%	0%	1%	8%	1,872	1,798	4%	-3%	1%	1%	8%
Akkodis	1,067	581	83%	77%	5%	6%	17%	3,883	2,205	76%	70%	10%	10%	16%
Adecco Group	6,212	5,495	13%	11%	3%	5%	100%	23,640	20,949	13%	10%	4%	5%	100%

Revenues by service line

Revenues by service line EUR millions	Q4		Variance % 22 vs 21			FY		Variance % 22 vs 21		
	2022	2021	EUR	Constant currency	Organic	2022	2021	EUR	Constant currency	Organic
Flexible Placement	4,706	4,520	4%	2%	1%	18,105	17,263	5%	3%	2%
Permanent Placement	177	162	9%	4%	3%	780	583	34%	28%	28%
Career Transition	89	72	22%	15%	15%	295	314	-6%	-12%	-18%
Outsourcing, Consulting & Other Services	1,140	659	73%	75%	18%	4,093	2,471	66%	66%	20%
Training, Upskilling & Reskilling	100	82	22%	14%	14%	367	318	15%	9%	9%
Adecco Group	6,212	5,495	13%	11%	3%	23,640	20,949	13%	10%	4%

EBITA¹⁾ and EBITA margin excluding one-offs by segment

EBITA EUR millions	Q4		Variance % 22 vs 21		% of EBITA ²⁾ Q4 2022	FY		Variance % 22 vs 21		% of EBITA ²⁾ FY 2022
	2022	2021	EUR	Constant currency		2022	2021	EUR	Constant currency	
Adecco France	69	76	-9%	-9%	26%	230	277	-17%	-17%	21%
Adecco Northern Europe	14	24	-38%	-37%	5%	57	86	-33%	-33%	6%
Adecco DACH	-	20	-102%	-102%	0%	40	57	-30%	-30%	4%
Adecco Southern Europe & EEMENA	56	68	-17%	-17%	21%	221	235	-6%	-6%	22%
Adecco Americas	(2)	21	-108%	-107%	-1%	8	69	-88%	-89%	1%
Adecco APAC	26	22	20%	24%	10%	115	110	5%	4%	11%
Adecco	163	231	-29%	-29%	61%	671	834	-20%	-20%	65%
LHH	26	28	-6%	-15%	10%	109	150	-27%	-33%	11%
Akkodis	76	40	87%	82%	29%	250	142	75%	71%	24%
Corporate	(37)	(40)	-5%	-16%		(197)	(173)	14%	5%	
Adecco Group	228	259	-12%	-12%	100%	833	953	-13%	-13%	100%

EBITA margin	Q4		Variance bps	FY		Variance bps
	2022	2021		2022	2021	
Adecco France	5.3%	6.1%	(80)	4.6%	5.9%	(130)
Adecco Northern Europe	2.3%	3.8%	(150)	2.3%	3.4%	(110)
Adecco DACH	-0.1%	5.5%	(560)	2.5%	4.0%	(150)
Adecco Southern Europe & EEMENA	5.2%	6.4%	(120)	5.4%	6.0%	(60)
Adecco Americas	-0.2%	3.2%	(340)	0.3%	2.8%	(250)
Adecco APAC	4.7%	4.3%	40	5.3%	5.7%	(40)
Adecco	3.5%	5.2%	(170)	3.8%	4.9%	(110)
LHH	5.6%	6.3%	(70)	5.8%	8.3%	(250)
Akkodis	7.1%	7.0%	10	6.4%	6.5%	(10)
Adecco Group	3.7%	4.7%	(100)	3.5%	4.6%	(110)

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

2) % of EBITA before Corporate

EBITA¹⁾ and EBITA margin by segment

EBITA	Q4		Variance % 22 vs 21		% of EBITA ²⁾	FY		Variance % 22 vs 21		% of EBITA ²⁾
	2022	2021	EUR	Constant currency		2022	2021	EUR	Constant currency	
EUR millions					Q4 2022					FY 2022
Adecco France	67	74	-9%	-9%	34%	227	270	-16%	-16%	24%
Adecco Northern Europe	15	23	-38%	-37%	8%	57	80	-29%	-29%	6%
Adecco DACH	1	20	-97%	-97%	1%	48	61	-22%	-22%	5%
Adecco Southern Europe & EEMENA	50	68	-26%	-26%	25%	215	235	-8%	-8%	23%
Adecco Americas	(6)	21	-130%	-129%	-3%	1	66	-99%	-99%	0%
Adecco APAC	25	20	26%	30%	12%	114	108	5%	5%	13%
Adecco	152	226	-33%	-33%	77%	662	820	-19%	-20%	71%
LHH	20	4	434%	332%	10%	80	118	-32%	-37%	9%
Akkodis	26	29	-13%	-15%	13%	194	132	47%	43%	20%
Corporate	(43)	(48)	-11%	-21%		(259)	(189)	37%	27%	
Adecco Group	155	211	-26%	-25%	100%	677	881	-23%	-23%	100%

EBITA margin	Q4		Variance bps	FY		Variance bps
	2022	2021		2022	2021	
Adecco France	5.1%	5.9%	(80)	4.5%	5.8%	(130)
Adecco Northern Europe	2.3%	3.7%	(140)	2.3%	3.2%	(90)
Adecco DACH	0.1%	5.5%	(540)	3.0%	4.3%	(130)
Adecco Southern Europe & EEMENA	4.7%	6.4%	(170)	5.3%	6.0%	(70)
Adecco Americas	-0.9%	3.1%	(400)	0.0%	2.7%	(270)
Adecco APAC	4.6%	4.0%	60	5.3%	5.6%	(30)
Adecco	3.2%	5.0%	(180)	3.7%	4.8%	(110)
LHH	4.4%	0.9%	350	4.3%	6.6%	(230)
Akkodis	2.4%	5.0%	(260)	5.0%	6.0%	(100)
Adecco Group	2.5%	3.8%	(130)	2.9%	4.2%	(130)

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

2) % of EBITA before Corporate

Reconciliation of EBITA to EBITA excluding one-offs

EBITA	EBITA excluding one-offs		One-offs		EBITA		EBITA excluding one-offs		One-offs		EBITA	
	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Adecco France	69	76	(2)	(2)	67	74	230	277	(3)	(7)	227	270
Adecco Northern Europe	14	24	1	(1)	15	23	57	86	-	(6)	57	80
Adecco DACH ³⁾	-	20	1	-	1	20	40	57	8	4	48	61
Adecco Southern Europe & EEMENA	56	68	(6)	-	50	68	221	235	(6)	-	215	235
Adecco Americas	(2)	21	(4)	-	(6)	21	8	69	(7)	(3)	1	66
Adecco APAC	26	22	(1)	(2)	25	20	115	110	(1)	(2)	114	108
Adecco	163	231	(1)	(5)	152	226	671	834	(9)	(14)	662	820
LHH	26	28	(6)	(24)	20	4	109	150	(29)	(32)	80	118
Akkodis	76	40	(50)	(1)	26	29	250	142	(56)	(10)	194	132
Corporate	(37)	(40)	(6)	(8)	(43)	(48)	(197)	(173)	(62)	(16)	(259)	(189)
Adecco Group	228	259	(73)	(48)	155	211	833	953	(156)	(72)	677	881

1) FY 2022 and FY 2021 one-offs in Adecco DACH include the release of restructuring accruals in Germany, driven by lower-than-expected severance costs.

Consolidated statements of operations

EUR millions except share and per share information	Q4		Variance %		YTD		Variance %	
	2022	2021	EUR	Constant currency	2022	2021	EUR	Constant currency
Revenues	6,212	5,495	13%	11%	23,640	20,949	13%	10%
Direct costs of services	(4,910)	(4,355)			(18,666)	(16,668)		
Gross profit	1,302	1,140	14%	11%	4,974	4,281	16%	12%
Selling, general, and administrative expenses	(1,155)	(935)	24%	18%	(4,326)	(3,423)	26%	21%
Proportionate net income of equity method investment FESCO Adecco	8	6	33%	19%	29	23	24%	13%
EBITA¹⁾	155	211	-26%	-25%	677	881	-23%	-23%
Amortisation of intangible assets	(42)	(20)			(130)	(70)		
Impairment of intangible assets	-	-			-	(31)		
Operating income	113	191	-41%	-39%	547	780	-30%	-29%
Interest expense	(15)	(10)			(49)	(32)		
Other income/(expenses), net	(21)	4			(47)	5		
Income before income taxes	77	185	-58%		451	753	-40%	
Provision for income taxes	(12)	(1)			(106)	(165)		
Net income	65	184	-65%		345	588	-41%	
Net income attributable to noncontrolling interests					(3)	(2)		
Net income attributable to Adecco Group shareholders	65	184	-65%		342	586	-42%	
Basic earnings per share²⁾	0.39	1.11	-65%		2.05	3.62	-43%	
Diluted earnings per share³⁾	0.39	1.11	-65%		2.04	3.60	-43%	
<i>Gross margin</i>	<i>21.0%</i>	<i>20.7%</i>			<i>21.0%</i>	<i>20.4%</i>		
<i>SG&A as a percentage of revenues</i>	<i>18.6%</i>	<i>17.0%</i>			<i>18.3%</i>	<i>16.3%</i>		
<i>EBITA margin</i>	<i>2.5%</i>	<i>3.8%</i>			<i>2.9%</i>	<i>4.2%</i>		
<i>Operating income margin</i>	<i>1.8%</i>	<i>3.5%</i>			<i>2.3%</i>	<i>3.7%</i>		
<i>Net income margin attributable to Adecco Group shareholders</i>	<i>1.0%</i>	<i>3.3%</i>			<i>1.4%</i>	<i>2.8%</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 167,106,867 in Q4 2022 and 166,822,663 in FY 2022 (165,074,415 in Q4 2021 and 162,096,188 in FY 2021).

3) Diluted weighted-average shares were 167,314,678 in Q4 2022 and 167,065,883 in FY 2022 (165,536,016 in Q4 2021 and 162,727,104 in FY 2021).

Reconciliation for Adjusted EPS¹⁾

EUR millions except share and per share information	Q4		Variance %	YTD		Variance
	2022	2021	EUR	2022	2021	EUR
Net income attributable to Adecco Group shareholders	65	184	-65%	342	586	-42%
Amortisation and impairment of goodwill and intangible assets	42	20		130	101	
One-offs in EBITA	73	48		156	72	
One-offs in Other income/(expenses), net	1	(17)		6	(18)	
Tax effects, other exceptional tax items	(55)	(34)		(87)	(59)	
Adjusted Net income attributable to Adecco Group shareholders²⁾	126	201	-37%	547	682	-20%
Basic earnings per share³⁾	0.39	1.11	-65%	2.05	3.62	-43%
Adjusted earnings per share^{1), 3)}	0.76	1.22	-38%	3.28	4.21	-22%

1) Adjusted EPS is a non-US GAAP measure and refers to Net income attributable to Adecco Group shareholders before amortisation and impairment of goodwill and intangible assets, excluding one-off costs and exceptional tax items, divided by basic weighted-average shares outstanding.

2) Adjusted Net income attributable to Adecco Group shareholders is a non-US GAAP measure and refers to Net income attributable to Adecco Group shareholders before amortisation and impairment of goodwill and intangible assets, excluding one-off costs and exceptional tax items.

3) Basic weighted-average shares were 167,106,867 in Q4 2022 and 166,822,663 in FY 2022 (165,074,415 in Q4 2021 and 162,096,188 in FY 2021).

Consolidated balance sheets

EUR millions	31 December 2022	31 December 2021
Assets		
Current assets:		
- Cash and cash equivalents	782	3,051
- Trade accounts receivable, net	4,758	4,076
- Other current assets	584	596
Total current assets	6,124	7,723
Property, equipment, and leasehold improvements, net	575	330
Operating lease right-of-use assets	402	339
Equity method investments	177	118
Other assets	768	674
Intangible assets, net	1,029	198
Goodwill	4,181	2,483
Total assets	13,256	11,865
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
- Accounts payable and accrued expenses	4,884	4,226
- Current operating lease liabilities	176	152
- Short-term debt and current maturities of long-term debt	138	348
Total current liabilities	5,198	4,726
Operating lease liabilities	287	229
Long-term debt, less current maturities	3,099	2,751
Other liabilities	779	359
Total liabilities	9,363	8,065
Shareholders' equity		
Adecco Group shareholders' equity:		
- Common shares	11	11
- Additional paid-in capital	669	814
- Treasury shares, at cost	(58)	(159)
- Retained earnings	3,412	3,361
- Accumulated other comprehensive income/(loss), net	(153)	(237)
Total Adecco Group shareholders' equity	3,881	3,790
Noncontrolling interests	12	10
Total shareholders' equity	3,893	3,800
Total liabilities and shareholders' equity	13,256	11,865

Consolidated statements of cash flows

EUR millions	Q4		FY	
	2022	2021	2022	2021
Cash flows from operating activities				
Net income	65	184	345	588
Adjustments to reconcile net income to cash flows from operating activities:				
- Depreciation and amortisation	79	48	270	186
- Impairment of intangible assets				31
- Other charges	(37)	(33)	(53)	(3)
Changes in operating assets and liabilities, net of acquisitions and divestitures:				
- Trade accounts receivable	(116)	(108)	(389)	(170)
- Accounts payable and accrued expenses	308	104	142	119
- Other assets and liabilities	160	77	228	(29)
Cash flows from operating activities	459	272	543	722
Cash flows from investing activities				
Capital expenditures	(66)	(52)	(215)	(132)
Acquisition of QAPA, net of cash and restricted cash acquired		(2)		(54)
Acquisition of BPI Group, net of cash and restricted cash acquired		(45)		(45)
Acquisition of AKKA, net of cash and restricted cash acquired	4	(44)	(1,245)	(44)
Proceeds from divestiture of Legal Solutions business, net of cash and restricted cash divested		122		122
Cash settlements on derivative instruments	(23)	(14)	1	(23)
Other acquisition, divestiture and investing activities, net	(5)	(29)	13	(30)
Cash flows used in investing activities	(90)	(64)	(1,446)	(206)
Cash flows from financing activities				
Net increase/(decrease) in short-term debt	(75)	(4)	(345)	(16)
Borrowings of long-term debt, net of issuance costs	350		350	1,484
Repayment of long-term debt	(197)	(260)	(928)	(261)
Dividends paid to shareholders			(409)	(365)
Purchase of treasury shares			(5)	(93)
Share capital increase, net of issuance costs				229
Other financing activities, net	(7)	8	(46)	2
Cash flows from/(used in) financing activities	71	(256)	(1,383)	980
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(68)	20	40	91
Net increase/(decrease) in cash, cash equivalents and restricted cash	372	(28)	(2,246)	1,587
Cash, cash equivalents and restricted cash:				
- Beginning of period	537	3,183	3,155	1,568
- End of period	909	3,155	909	3,155