THE ADECCO GROUP

Q1 2023 report

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4 May 2023

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.

Q1 highlights

THE ADECCO GROUP

Effectively delivering Simplify-Execute-Grow plan

Strong market share gains, revenue growth and gross margin

Adecco

Broad-based market share gains

Relative revenue growth +600 bps in Q1

Double-digit growth in APAC, Germany, LatAm, EEMENA

AKKODIS

Integration well progressed

Strong momentum in Consulting

LHH

Standout performance in Career Transition

Headwinds in Recruitment Solutions

TCV = total contract value won, in revenue terms

Q1 23 financial overview

Revenues
€5,892 mn
+3% yoy
+8% reported

Gross profit
€1,254 mn
21.3% margin
+5% yoy
+20 bps reported

EBITA excl. one-offs
€184 mn
3.1% margin
(30) bps yoy

Adj. EPS
€0.72
(5)% yoy

Balance Sheet
Net debt / EBITDA 2.7x

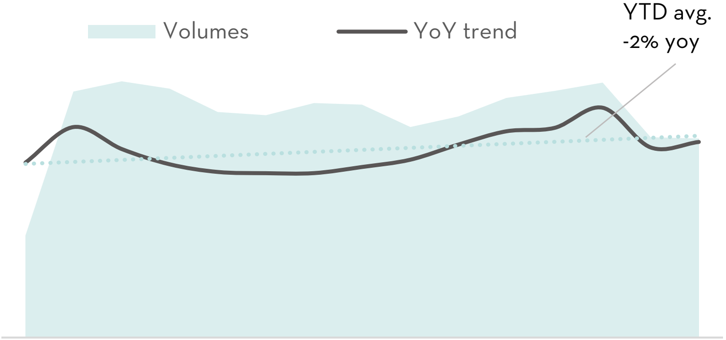
Cash Flow
Cash conversion 47%

How we win in a dynamic talent market

Market opportunities remain

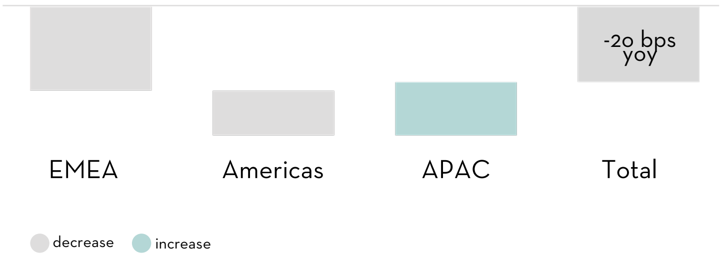
Flex resilient throughout Q1

Adecco GBU, flex & outplacement volumes, YTD[1]



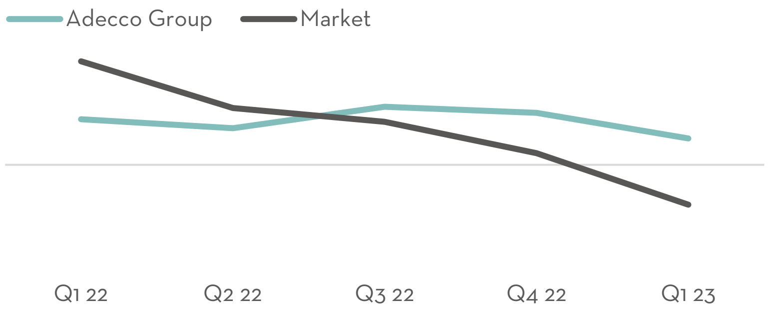
Divergent trends by region (and sector)

Adecco GBU, flex volumes by region, YTD[1]
(in bps)



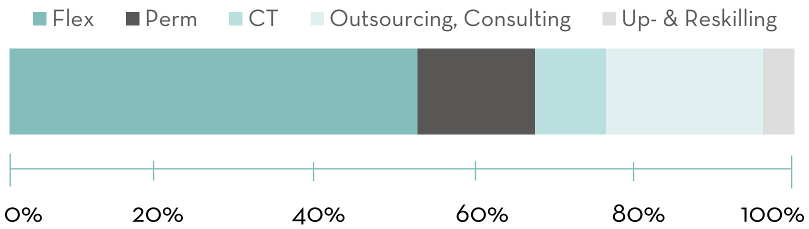
Focused on driving growth, market share

Revenue growth % yoy, organic TDA basis



A value-add ecosystem of talent services

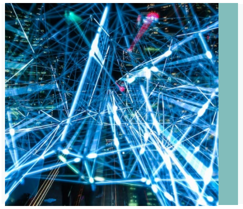
Adecco Group gross profit breakdown, Q1 23



EXAMPLES

Logistics customer
Adecco share gain; only partner offering global capabilities

Autos customer
Combined strength of Adecco and Akkodis international expertise



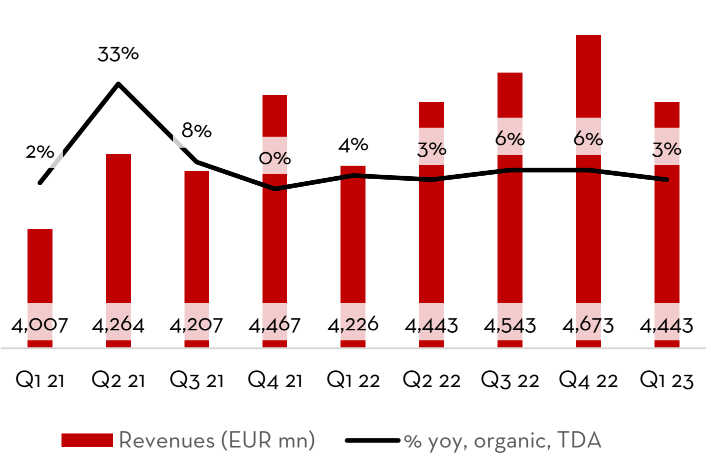
Tech sector
Multiple CT wins due to scale and best-in-market proposition

[1] Source: Adecco GBU, from 1 Jan 2023 until 14 Apr 2023

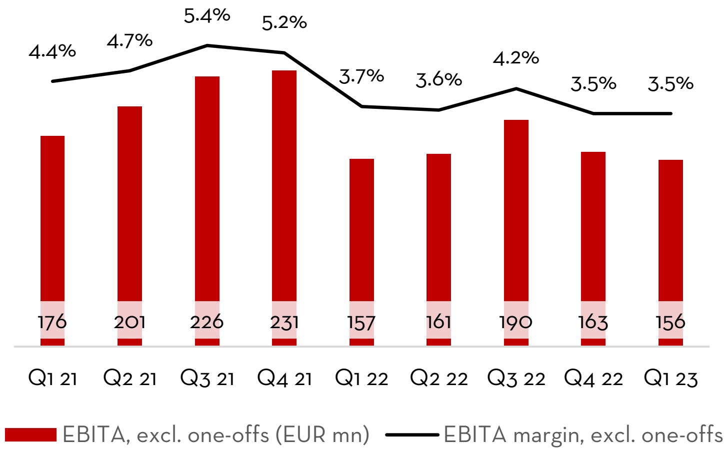
Adecco: solid quarter, growth underpinned by resilience in flex

Revenues **€4.4 bn,** +3% yoy

Share of Group 75%



EBITA **€156 mn,** 3.5% margin



DACH, APAC strong

France, Southern Europe & EEMENA solid

Northern Europe, Americas mixed

EBITA margin -20 bps yoy

FESCO JV income

North America lower

- Relative revenue growth +600 bps in Q1
- Flex +3%, Perm +19%, Outsourcing +13%
- Gross margin supported by favourable solutions mix and pricing
- EBITA margin mainly includes impact from the timing of FESCO JV income and lower contribution from North America
- Productivity +5% qoq, FTEs -2% qoq

Quarterly revenue and EBITA excl. one-offs for 2022 are restated to reflect the transfer of part of AKKA US to Adecco US effective Jan 1, 2023
Please refer to the Appendix for further information

Adecco: broad-based market share gains

By Segment	Revenues: Share of Group	Revenues: Q1 23 € mn	Revenues: **Change, TDA yoy**	Market share: Q1 23	EBITA and EBITA margin excl. one-offs: Q1 23 € mn	EBITA and EBITA margin excl. one-offs: **Q1 23 mgn**	EBITA and EBITA margin excl. one-offs: Change, yoy bps
France	20%	1,178	**+1%**	→	40	**3.4%**	+10
Northern Europe	10%	579	**-1%**	↑	10	**1.8%**	+10
DACH	7%	406	**+9%**	↑	11	**2.6%**	(120)
Southern Europe & EEMENA (SEE)	17%	1,034	**+4%**	↑	56	**5.5%**	0
Americas	12%	681	**-1%**	↑	0	**0.0%**	(170)
APAC	9%	565	**+10%**	↗	39	**6.7%**	+60
Adecco	**75%**	**4,443**	**+3%**	↑	**156**	**3.5%**	(20)

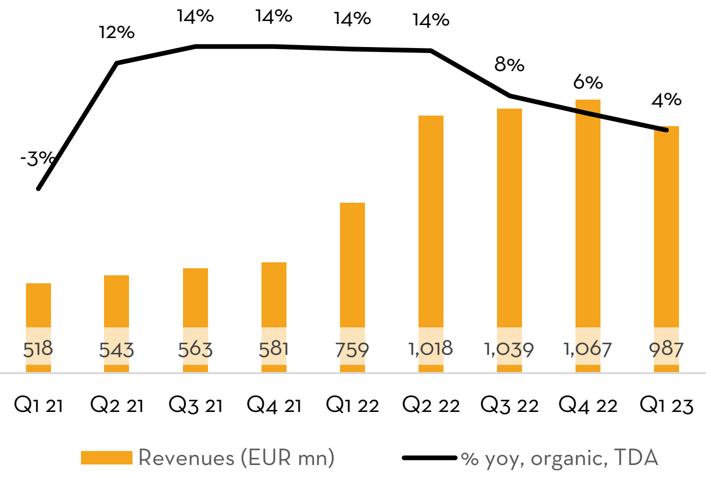
- **France:** QAPA, training, perm strong. Flex robust, led by autos, healthcare, IT; logistics soft
- **Northern Europe**: UK&I +1%, finance strong; logistics soft. Benelux -2%, Nordics -2%
- **DACH:** Germany +13%, led by autos, logistics, prof. services. Margin reflects growth investment
- **SEE:** Italy +2%, Iberia +2%, EEMENA +16%. Autos, retail, consulting good; logistics soft
- **Americas:** LatAm +18%, North America -8%. US ahead of market, lower volumes impact margin. Headcount cut c.10%. Operational KPIs indicate positive momentum in turnaround plan
- **APAC:** Japan +10%, Asia +13%, India +13%. Australia & NZ flat. FESCO JV strong

Quarterly revenue and EBITA excl. one-offs for 2022 are restated to reflect the transfer of part of AKKA US to Adecco US effective Jan 1, 2023
Please refer to the Appendix for further information

Akkodis: solid growth and margin

Revenues **€987 mn**, +4% yoy

Share of Group 17%



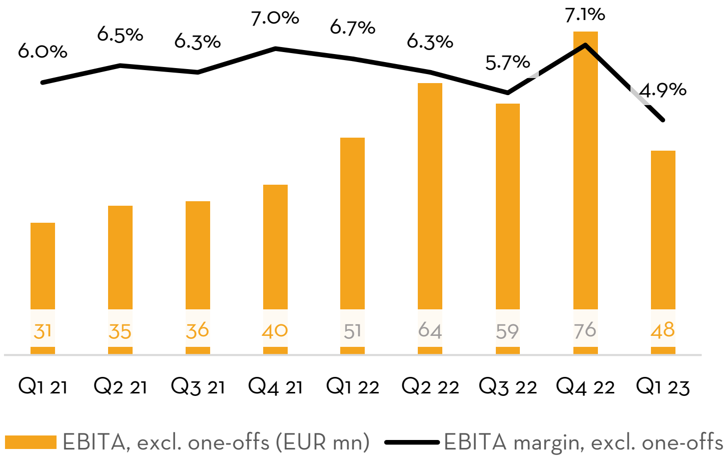
North EMEA +8% yoy

South EMEA +3% yoy

North America +1% yoy

APAC +5% yoy

EBITA **€48 mn**, 4.9% margin



EBITA margin -180 bps yoy

AKKA consolidation

Lower US staffing volumes

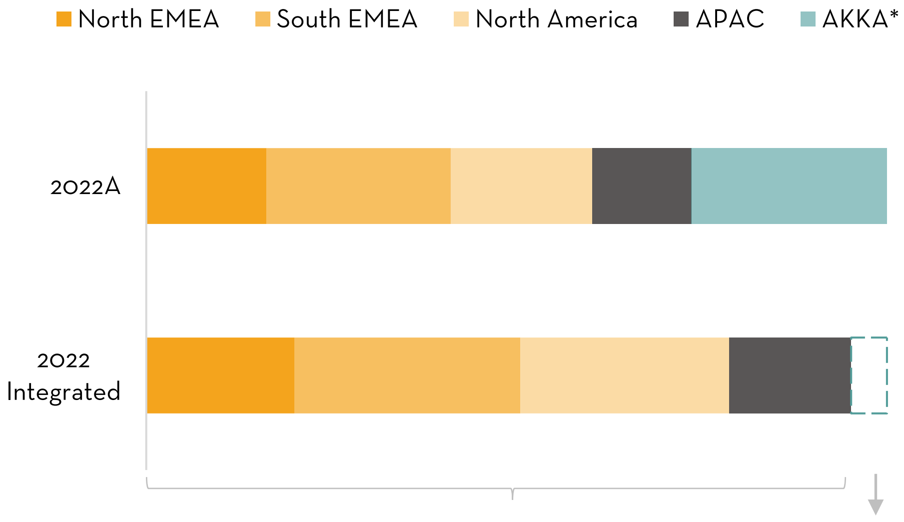
High utilisation

- Germany +7%, Data Respons +10%, benefiting from high utilisation, good project management. France solid, +6%. Autos, life sciences strong
- Headwinds in tech staffing impact North America; consulting revenues doubled
- APAC solid, with Japan +10%, supported by increased engineers and high utilisation
- EBITA margin reflects timing of AKKA consolidation, lower US staffing volumes, synergy delivery and high utilisation
- German repositioning on track; adapting US operations given altered backdrop

Quarterly revenue and EBITA figures for 2021 are for Modis only. In 2022, AKKA was consolidated 24 Feb; quarterly revenue and EBITA figures include AKKA's contribution, while the organic growth rates yoy are for Modis only. In addition, quarterly revenue and EBITA excl. one-offs for 2022 have now been restated to reflect the transfer of part of AKKA US to Adecco US effective Jan 1, 2023. Please refer to the Appendix for further information

Akkodis integration well progressed

A scaled, geographically balanced portfolio
(as %)



Assets transferred to Adecco US

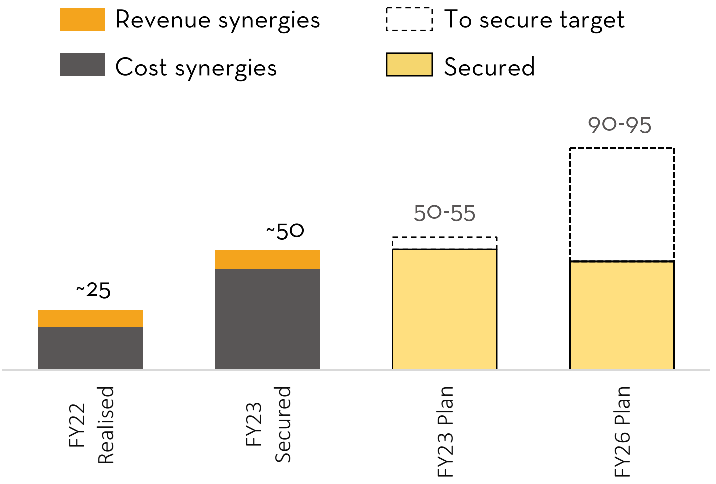
2022 Revenues EUR 3,667 mn*

- 20% North EMEA
- 30% South EMEA
- 30% North America
- 20% APAC

Securing attractive synergy wins

- On track to deliver 2023 targeted synergies of €50-55 mn (in-year)
- Good momentum in revenue synergy pipeline
- Total contract value won to date ~€160 mn, from ~€90 mn at end Q4 22

Revenue and cost synergies, in EBITA terms (EUR mn)



REVENUE SYNERGIES EXAMPLES

EMEA | TMT customer
Cloud & Infrastructure support services
Won due to scale, ensuring fast set-up

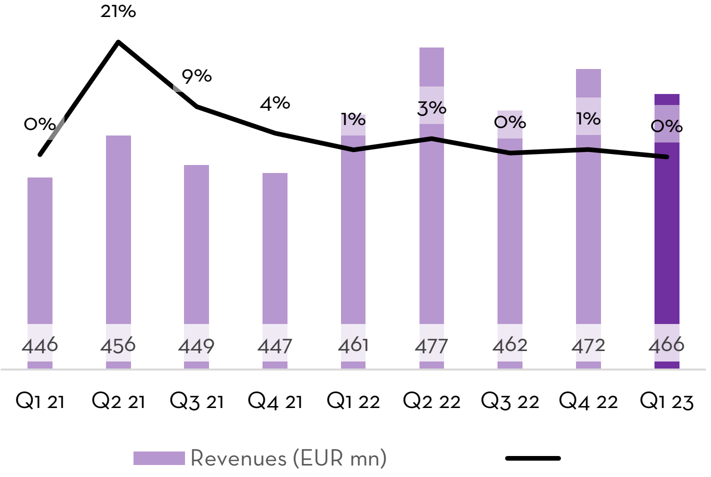
APAC | AUTOS customer
Multi-year contract providing onsite services incl. product & system development, AI, Cloud & Infrastructure
Won due to global scale, AKKA's deep domain expertise

* AKKA consolidated from February 24, 2022
Target year 5 run-rate +€200 mn revenue synergies, €65 mn cost synergies

LHH: Career Transition excels; headwinds in Recruitment Solutions

Revenues **€466 mn,** 0% yoy

Share of Group 8%



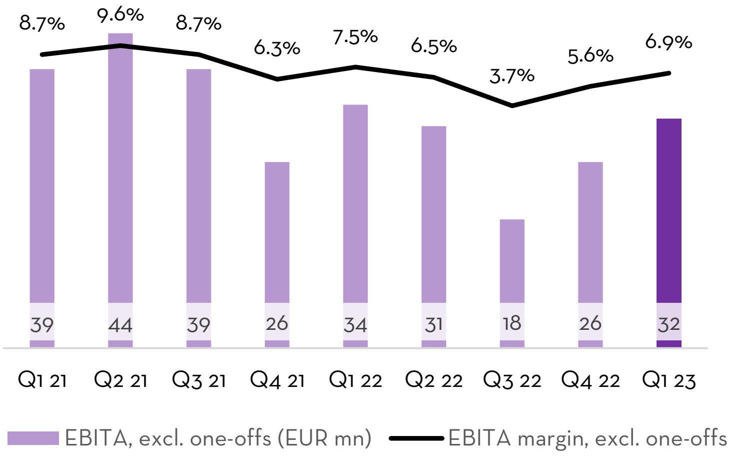
Recruitment Solutions (RS) -16% yoy

Career Transition & Mobility (CT&M) +63% yoy

Learning & Development (L&D) -8% yoy

Pontoon & Other -4% yoy

EBITA **€32 mn,** 6.9% margin



EBITA margin -60 bps yoy

Lower volumes

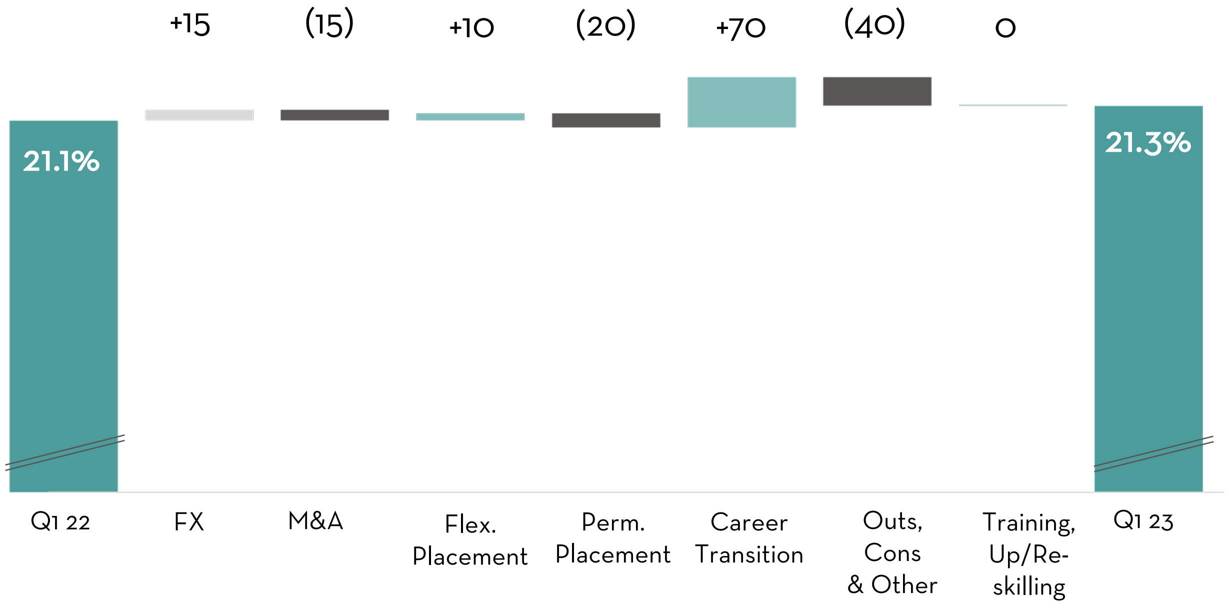
Further sequential improvement

- RS: tough comparison, continued headwinds in US. Gross profit –16% yoy, ex. US -3%. Perm fees -20% yoy
- CT&M: record quarter with excellent win momentum, led by US, UK and tech sector
- L&D: Ezra +45%, bookings accelerated strongly. GA, Talent Development subdued
- Pontoon & Other: Pontoon flat, tech subdued; Hired also hurt by US tech downturn
- EBITA margin benefit from higher CT&M volumes outweighed by lower contribution across rest of LHH and digital investments
- RS US productivity close to market levels; focus on delivering further improvement

Sustained strong gross margin; robust EBITA margin

Gross profit bridge

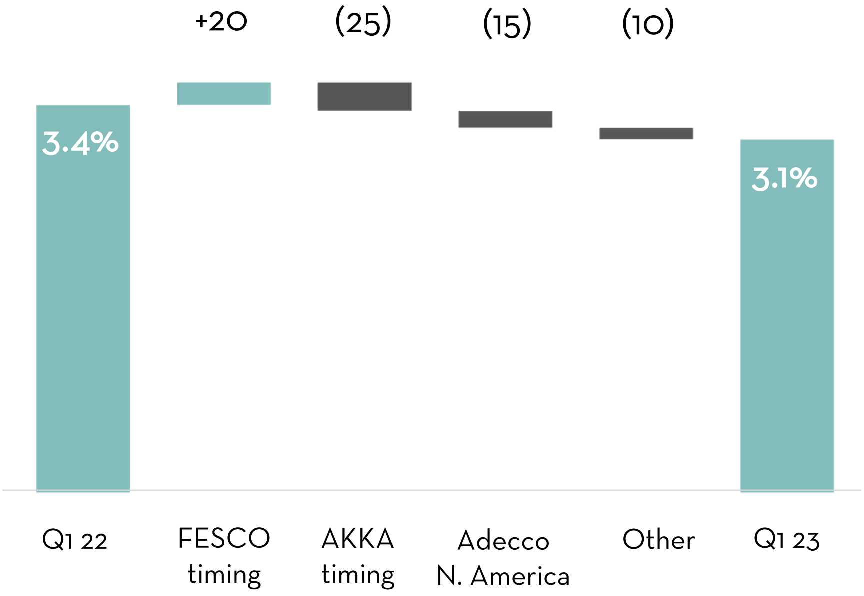
(As % of revenues yoy, in bps)



Gross Profit (% yoy, organic)	**+5%**	**0%**	**+63%**	**-5%**	**-3%**
As % of Group	**50%**	**15%**	**10%**	**20%**	**5%**

EBITA bridge, excl. one-offs

As % of revenues



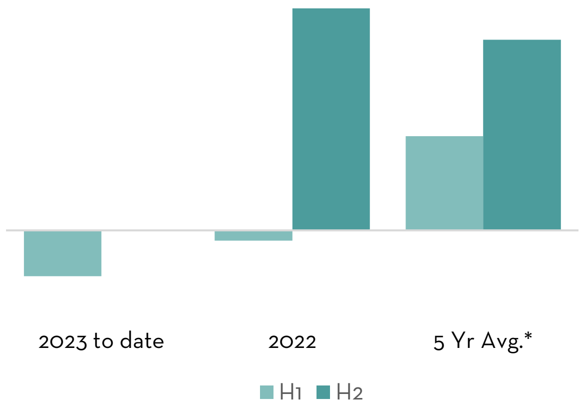
Solid financing structure

Cash generation

- Q1 23 Cash Conversion 47%
- Q1 23 Operating Cash Flow €(116) mn
- DSO 52 days in Q1, +1 day yoy
- Cash outflow driven by NWC developments, on a year-on-year basis:
  - *Positive customer collections*
  - *Outweighed by other unfavourable NWC movement, namely AKKA's impact and outflow in payables driven by timing differentials, higher cash tax payments*

Cashflow generation is H2 weighted

Cashflow from operating activities
(EUR mn)



Good cash generation expected for 2023

Balance sheet & financing metrics

- End Q1 net debt €2,633 mn vs end Q4 22 €2,455 mn
- 2.7x ND/EBITDA ratio, in line with management expectations
- Interest rate sensitivity +/- 1% = ~€7 mn; 78% fixed
- No covenants on any outstanding debt; €1 bn undrawn RCF
- No debts maturing in 2023

Firm commitment to de-lever

* 5 year average, from 2017 and excluding 2020 which was a counter-cyclical period due to the COVID pandemic

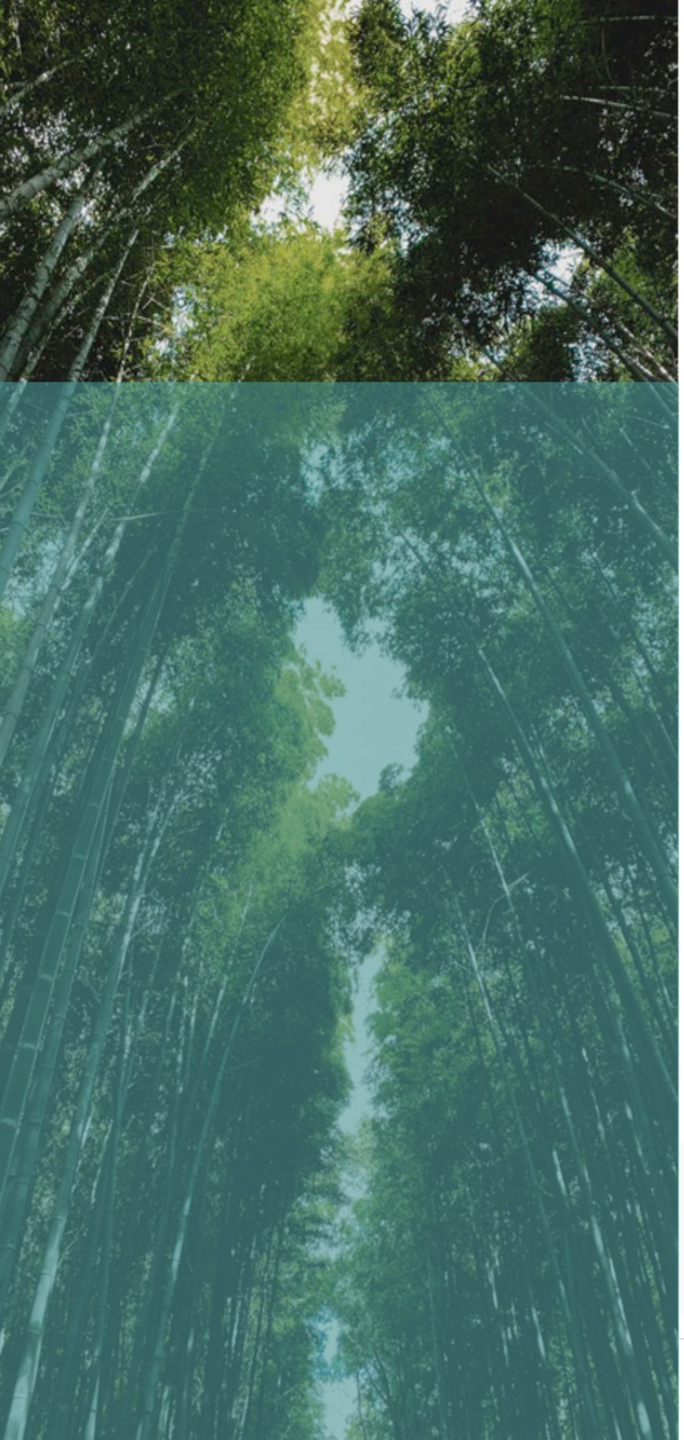
Near-term outlook

END Q1 MOMENTUM

Growth rate (% yoy)
As % of Group revenues

Q2 23 FINANCIAL FRAMEWORK

- The Group exited the quarter with growth at +3%
- Volumes in April were resilient, and the market for talent services remains dynamic. The Group is well positioned to capture market share opportunities in a rapid and agile manner
- Q1 benefited from the timing of FESCO JV income, which will not repeat in Q2
- In Q2, the Group expects both gross margin and SG&A expenses (excluding one-offs) as a % revenues to be broadly inline with Q1 23 levels



Positive change underway with Simplify, Execute, Grow agenda

Delivery milestones update

Q3 22

- Transformation initiatives prioritised
- Incentive structures adjusted
- Ezra + LHH Coaching combined (Jan 1)
- Transfer of part of AKKA US to Adecco (Jan 1)
- Global Sales reorganised; $2/3^{rds}$ of resource moved to local level
- Ian Lee appointed to EC as President, Geographic Regions, to ensure local perspectives are represented
- Taskforce supports de-layering, improves speed
- **New strategic accounts framework operational**
- **Executing G&A savings plans for US, France, Japan**

End Q1 23

Next steps

Q2 23

- **Sharpen MSP/RPO offering**
- **G&A savings plans for remaining key countries and corporate functions**
- Phased implementation of streamlined operating model

High confidence in achieving planned cost reduction target

2023 priorities reiterated: performance acceleration

Market share gains in all GBUs

- Focus on profitable growth, improved productivity
- Continuous improvement of underperforming units
- Accelerate momentum in digital
- Deliver year 2 AKKA synergies

Advance the Simplify, Execute, Grow agenda

- Simplified organisational structure; de-layer and improve speed
- Relentless focus on performance
- Phase 1 of €150 mn G&A cost savings delivered

Q&A

Appendix

Additional financial framework

EUR mn, unless otherwise stated	FY 2023 Est.	Q1 2023	Q2 2023 Est.
AKKA integration and related costs	~ (35)	(5)	~ (10)
One-off costs	~ (100)	(7)	~ (20)
Depreciation	~ (140)	(38)	~ (35)
Amortisation	~ (105)	(28)	~ (25)
Interest expense	~ (60)	(17)	~ (15)
Other income / expenses	n.a.	(1)	n.a.
Effective tax rate	~ 27%	26.8%	~ 27%
Capital expenditure	~ (200)	(49)	~ (50)

	FY 2023 Est.	Q1 2023	Q2 2023 Est.
Foreign exchange impact on revenues *(at current rates, yoy)*	~ (1.3)%	(0.6)%	~ (1.2)%
Trading Days Adjustment *(difference in trading hours, yoy)*	(0.1)%	+1.5%	(0.4)%

2022 results – Adecco and Akkodis restated

In 2023, part of AKKA's US operations are reported in Adecco Americas. The 2022 information has been restated to conform with current period presentation.

EUR mn, unless otherwise stated	2022 Reported Revenues				2022 Reported EBITA excl. one-offs				2022 Restated Revenues				2022 Restated EBITA excl. one-offs			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Adecco	4226	4443	4543	4673	157	161	190	163	4249	4504	4607	4739	159	163	193	166
Akkodis	759	1018	1039	1067	51	64	59	76	736	956	974	1001	50	62	56	73