THE ADECCO GROUP

Q3 2023 report

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2 November 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.

Q3 highlights

THE ADECCO GROUP

Further strong market share gains

Productivity +6% yoy[1]

€24 mn G&A savings yoy

Year-end run-rate G&A savings ~€90 mn

New CHRO appointed

Adecco

+930 bps relative growth

Productivity +5% yoy[2], reaches 2021 levels

AKKODiS

Consulting +8%

EBITA margin +50 bps yoy

LHH

Continued strength in Career Transition, +84%

EBITA margin +430 bps yoy

[1] GP / FTE; [2] GP / Selling FTE

Grow
our market share

Q3 Client wins

Adecco QAPA La solution digitale Adecco LHH

Contract renewal, extending existing staffing and training services to outsourcing and perm solutions. 4-year contract, major French government institution.

pontoon
Adecco AKKODIS

Selected as primary supplier for staffing including tech staffing, under MSP model. 3-year contract, payment services leader, USA.

AKKODIS

Upselling from Tech Staffing to Managed Services, global autos leader. Product & Systems development, Validation & Verification services.

added value for client

- Omni-channel approach, leveraging branches and digital capabilities
- Superior onsite workforce analytics

- Strong processes, providing visibility and accountability
- Depth and breadth of expertise

- Technical expertise in vehicle engineering
- Strength of transformation solution, processes

Q3 23 financial overview

Revenues	
€5,958 mn	+3% yoy

Gross profit	
€1,242 mn	+1% yoy
20.8% margin	(10) bps yoy

EBITA excl. one-offs	
€235 mn	+14% yoy
4.0% margin	+40 bps yoy

Adj. EPS	
€0.85	-6% yoy

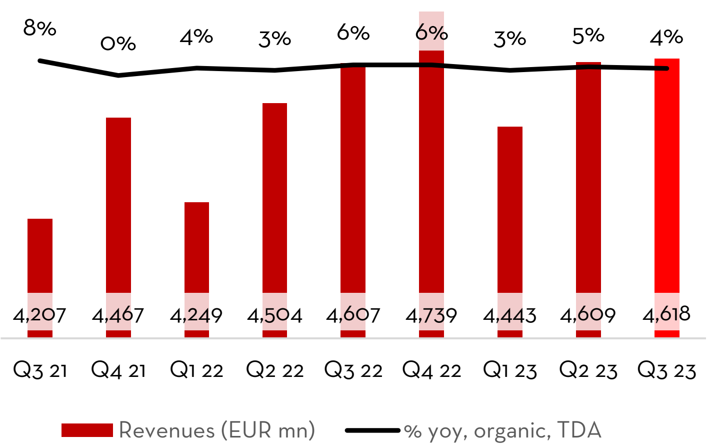
Balance Sheet	
Net debt / EBITDA	2.9x

Cash Flow	
Op FCF	€282 mn +€172 mn yoy
Cash conversion	85%

Adecco: strong execution

Revenues €4.6 bn, +4% yoy

Share of Group 78%

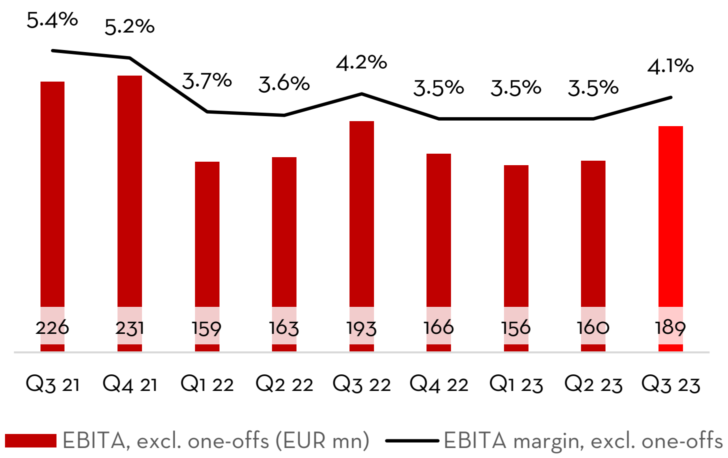


Strong growth in APAC, Southern Europe & EEMENA

DACH solid, Americas robust

Northern Europe, France soft

EBITA €189 mn, 4.1% margin



EBITA margin -10 bps yoy

Current mix

Improved productivity

G&A savings

- Relative revenue growth +930 bps in Q3
- Flex +2%, Outsourcing +12%, Perm -2% organically
- Autos, public sector, logistics strong. Manufacturing robust, IT Tech weak
- Healthy gross margin: pricing firm, sector and solutions mix less favourable
- EBITA margin supported by reduced SG&A, incl. G&A savings
- Improved productivity: GP/Selling FTE +5% yoy; Selling FTEs -3% yoy

Adecco: strong relative growth, market share gains in all regions

By Segment	Revenues: Share of Group	Revenues: Q3 23 € mn	Revenues: **Change, TDA yoy**	Market share: Q3 23	EBITA and EBITA margin excl. one-offs: Q3 23 € mn	EBITA and EBITA margin excl. one-offs: **Q3 23 margin**	EBITA and EBITA margin excl. one-offs: Change, yoy bps
France	21%	1,249	**-2%**	↗	62	**5.0%**	+10
Northern Europe	10%	595	**-1%**	↑	12	**2.0%**	(130)
DACH	7%	434	**+6%**	↑	18	**4.2%**	(210)
Southern Europe & EEMENA (SEE)	18%	1,079	**+9%**	↑	61	**5.7%**	+10
Americas	12%	678	**+1%**	↑	9	**1.4%**	+110
APAC	10%	583	**+21%**	↑	27	**4.6%**	0
Adecco	**78%**	**4,618**	**+4%**	↑	**189**	**4.1%**	(10)

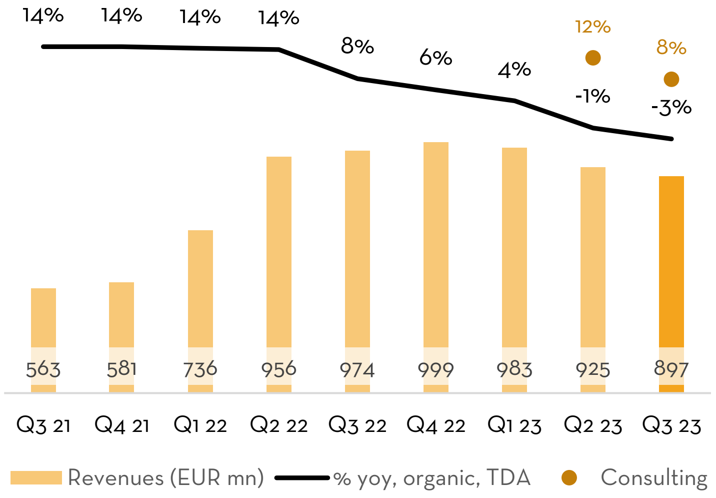
- **France:** market subdued. Construction, healthcare, autos strong; IT tech, retail weak
- **Northern Europe**: UK&I +1%, Benelux 0%, Nordics -10%, due to regulatory change. Autos, public sector strong
- **DACH:** Germany +10%. Autos, logistics, prof. services strong. Sector mix, FTE investment weigh on margin
- **SEE:** Italy +7%, Iberia +11%, EEMENA +12%. Growth led by logistics, autos
- **Americas:** LatAm +23%, led by Argentina, Mexico. NAM -8%. US progressing in tough market; achieved profitability
- **APAC:** Japan +13%, India +19%, Asia +9%. Australia & New Zealand +73%, driven by significant new government contract

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: margin uplift driven by agile cost management, synergy capture

Revenues €897 mn, -3% yoy

Share of Group 15%



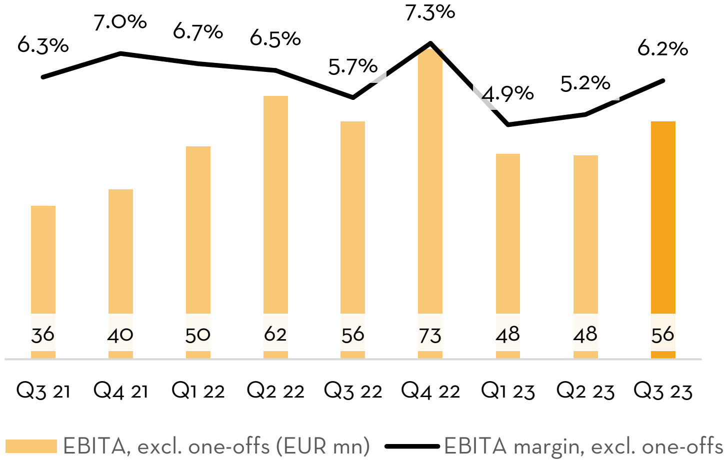
North EMEA 0% yoy

South EMEA +8% yoy

North America (NAM) -16% yoy

APAC +4% yoy

EBITA €56 mn, 6.2% margin



EBITA margin +50 bps yoy

Good cost mitigation, synergies

Lower volumes

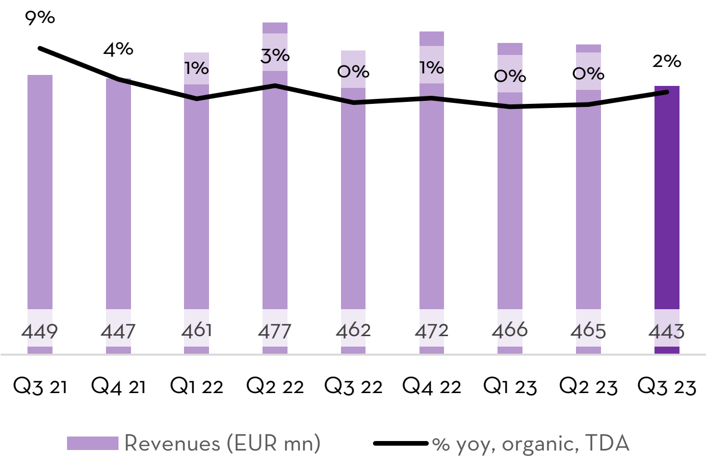
- Revenues impacted by tech downturn; staffing -19%, consulting +8%
- EMEA solid: France strong +9%. Ongoing talent scarcity impacts Germany, +1%; strong comp weighs Data Respons, +2%
- NAM weighed by sharp tech downturn. Consulting +24%. Strong cost mitigation, 55% recovery ratio[1]
- Japan strong, +9%. Australia -7%, weighed by tech downturn
- EBITA margin reflects agile cost management, strong synergy delivery
- Secured ~€59 mn FY23 synergies (in EBITA terms) vs. €50-55 mn target

1 Calculation = yoy change in EBITA contribution / yoy change in Gross Profit contribution. 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

LHH: robust performance, continued strength in Career Transition

Revenues **€443 mn,** +2% yoy

Share of Group 7%



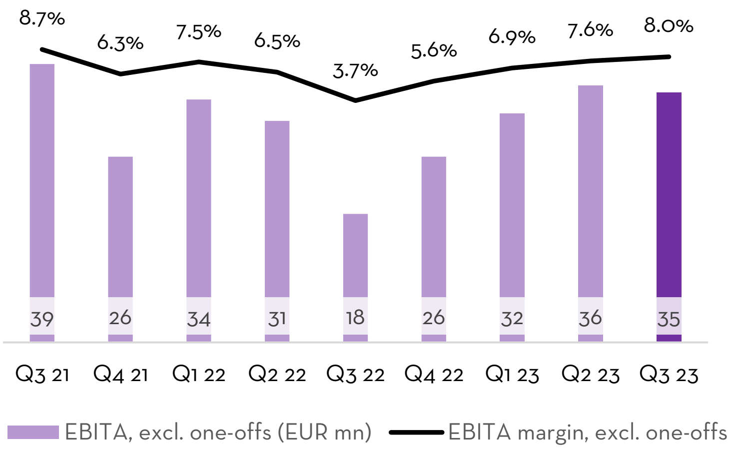
Recruitment Solutions (RS) -18% yoy

Career Transition & Mobility (CT&M) +84% yoy

Learning & Development (L&D) -21% yoy

Pontoon & Other -1% yoy

EBITA **€35 mn,** 8.0% margin



EBITA margin +430 bps yoy

Favourable mix

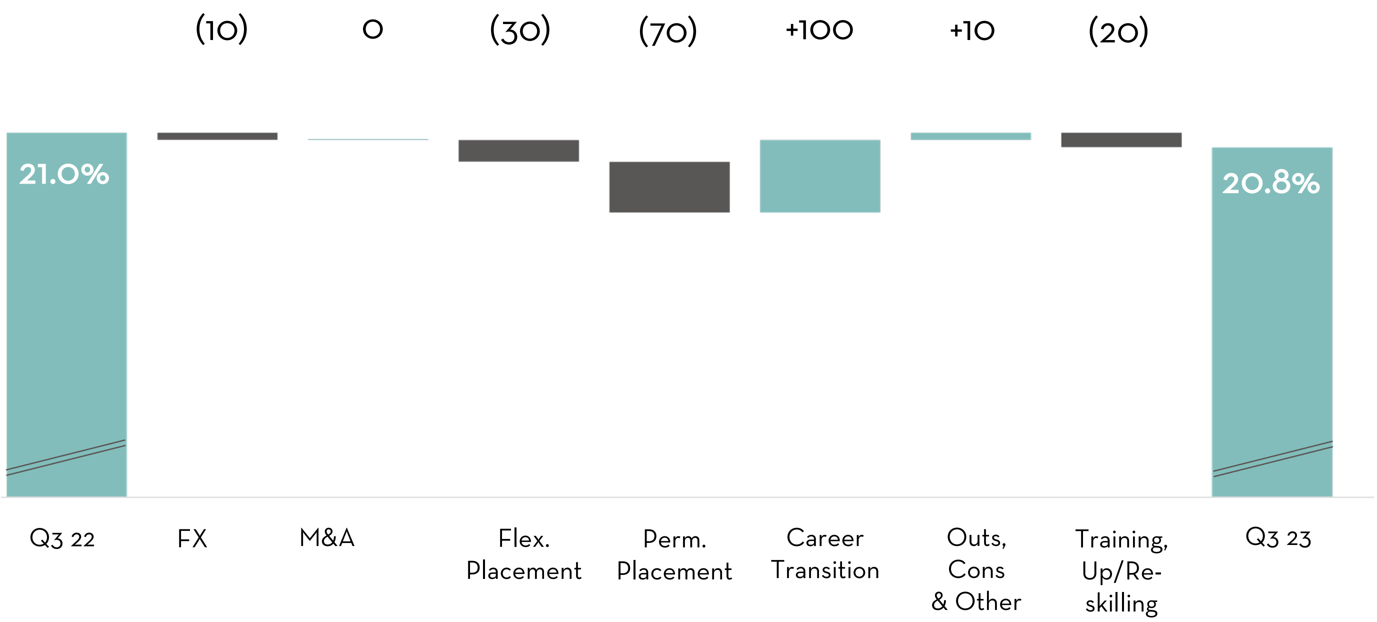
Cost discipline

- RS: markets subdued, particularly US, UK. Gross profit -22%, excl. US -14%
- CT&M: excellent results, led by US. Strong new client wins world-wide, solid pipeline
- L&D: Ezra +34%, pipeline strong. General Assembly, Talent Development challenged
- Pontoon & Other: Tech downturn impacts, Hired challenged, Pontoon +4%
- Margin driven by segment mix, mainly CT&M, and cost management
- Strengthening operational discipline in RS, protecting capacity to capture rebound

Healthy gross margin; solid EBITA margin

Gross profit bridge

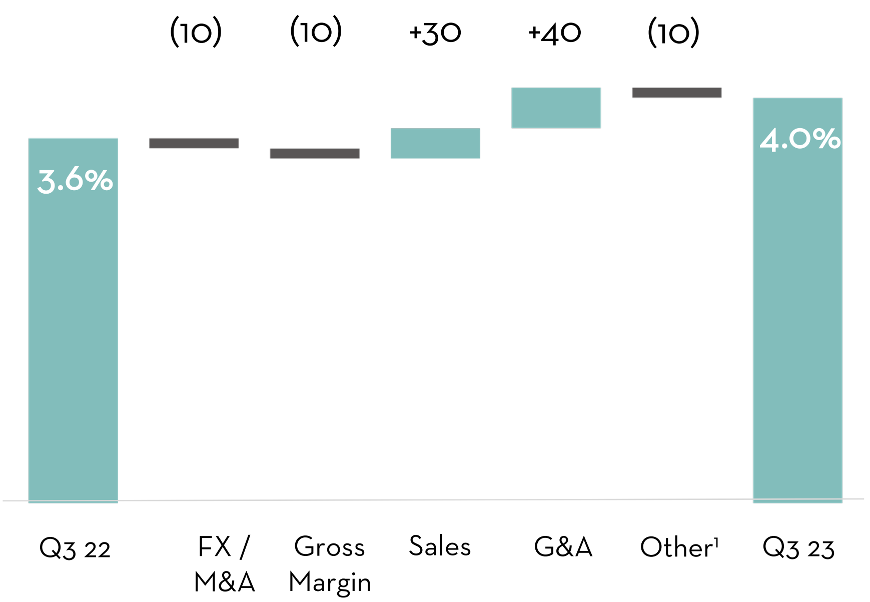
(As % of revenues yoy, in bps)



	Flex. Placement	Perm. Placement	Career Transition	Outs, Cons & Other	Training, Up/Re-skilling
Gross Profit (% yoy, organic)	-1%	-23%	+89%	+8%	-19%
As % of Group (approx.)	55%	10%	10%	20%	5%

EBITA bridge, excl. one-offs

(As % of revenues yoy, in bps)



Profitability drivers

- GP / Selling FTE +6% yoy, Selling FTEs -5% yoy
- €24 mn G&A savings yoy
- SG&A 17.0% of revenues, -50 bps yoy
- SG&A –1% yoy vs. +2% in Q2, +7% in Q1

[1] Other can include movements in depreciation, digital and IT expenses, one-time and/or special items and contribution from the FESCO JV

Improved cash conversion, solid financing structure

Cash generation

- Q3 Cash Conversion 85%, improved from 66% in Q2, 47% in Q1
- Q3 Operating Cash Flow €282 mn, +€172 mn yoy
- DSO 54 days in Q3, improved 1 day yoy
- Cashflow benefiting from NWC developments, on a year-on-year basis:
  - Strongly favourable payables, supportive customer collections
  - Normal activity in AKKA vs. disruption from 2022's cyber-incident
  - Favourable tax balances

Good cash generation expected for 2023

Balance sheet & financing metrics

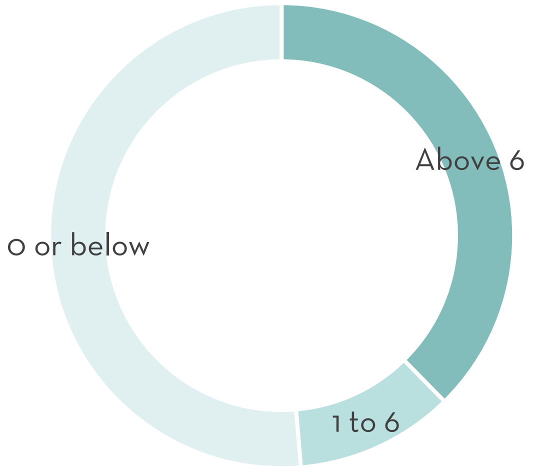
- End-Q3 net debt €2,817 mn vs end H1 23 €3,078 mn
- 2.9x ND/EBITDA ratio, started on path to de-lever
- 79% debt fixed; interest rate sensitivity +/- 1% = ~€7 mn
- No covenants on any outstanding debt; €750 mn undrawn RCF
- No debts maturing until December 2024

Target ~2.5x ND/EBITDA end-23

Near-term outlook

END Q3 MOMENTUM

Growth rate (% yoy)
As % of Group revenues



Q4 23 FINANCIAL FRAMEWORK

- The Group exited the quarter with growth consistent with Q3 levels, and volumes in October were resilient
- The diversity of the Group's activities and geographic footprint provide opportunities for profitable growth and market share gain, whilst recognising elevated geopolitical and macroeconomic pressures
- In Q4, the Group's gross margin and SG&A expenses (as a % of revenues) are expected to be around Q3 23 levels

Strong market share gains, improved profitability

Q&A

Appendix

Additional financial framework

EUR mn, unless otherwise stated	FY 2023 Est.	H1 2023	Q3 2023	Q4 2023 Est.
AKKA integration and related costs	~ (30)	(11)	(8)	~ (10)
One-off costs	~ (100)	(40)	(19)	~ (40)
Depreciation	~ (140)	(73)	(37)	~ (30)
Amortisation	~ (105)	(56)	(24)	~ (25)
Interest expense	~ (70)	(37)	(17)	~ (15)
Other income / expenses	n.a.	(10)	(5)	n.a.
Effective tax rate[1]	~ 27%	26.8%	35.8%[1]	~ 27%
Capital expenditure	~ (180)	(101)	(33)	~ (50)

	FY 2023 Est.	Q3 2023	Q4 2023 Est.
Foreign exchange impact on revenues *(at current rates, yoy)*	~ (2.1)%	(2.9)%	~ (2.7)%
Trading Days Adjustment *(difference in trading hours, yoy)*	(0.2)%	(1.1)%	(0.3)%

New / changed full year guidance

[1] Tax rate including discrete events. Q3's tax rate excluding discrete events was 27%

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	4,226	4,443	4,543	4,673	157	161	190	163	4,249	4,504	4,607	4,739	159	163	193	166
Akkodis	759	1,018	1,039	1,067	51	64	59	76	736	956	974	999	50	62	56	73