



Q2 2016 Results

Adecco Group

Disclaimer and 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 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 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.

'EBITA' refers to operating income before amortisation and impairment of goodwill and intangible assets.

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

Agenda

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Operational review

Alain Dehaze, Group CEO

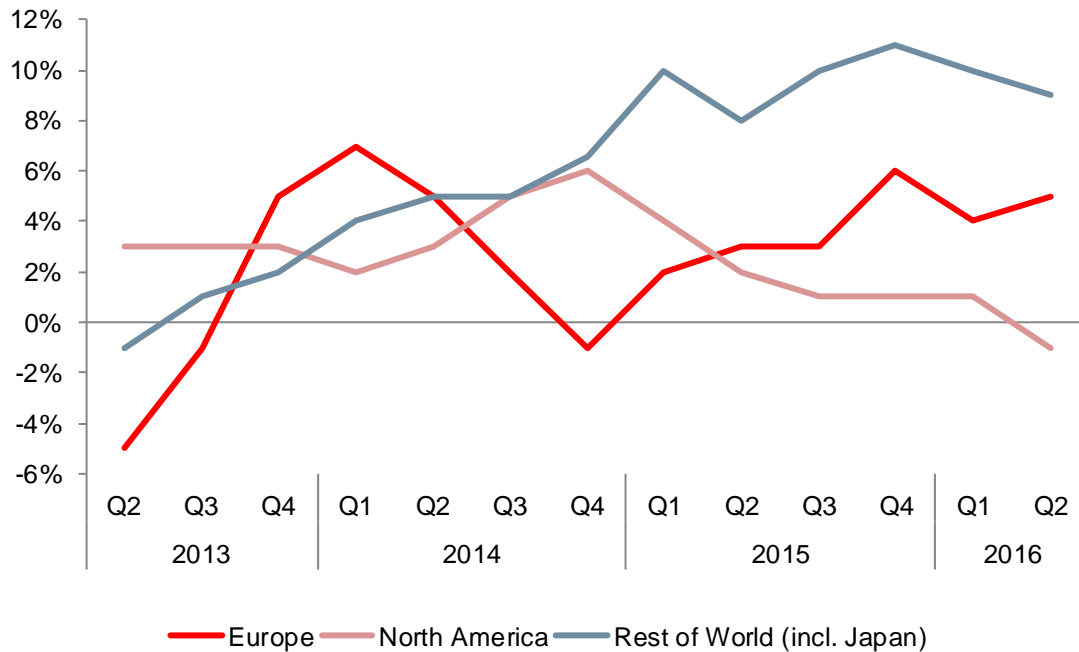
Highlights

Q2 2016

- ▶ Revenues EUR 5.7 billion, up 4% yoy organically
- ▶ Gross margin of 18.8%, up 10 bps; gross profit up 5% organically
- ▶ SG&A excluding one-offs up 4% yoy organically
- ▶ EBITA excluding one-offs EUR 284 million
- ▶ EBITA margin excluding one-offs 5.0%, up 10 bps yoy
- ▶ Revenues in June up 3%, organically and adjusted for trading days

Revenue development by region¹⁾

Organic year-on-year change in percent



Europe grew by 5% in Q2 2016, compared to 4% in the previous quarter

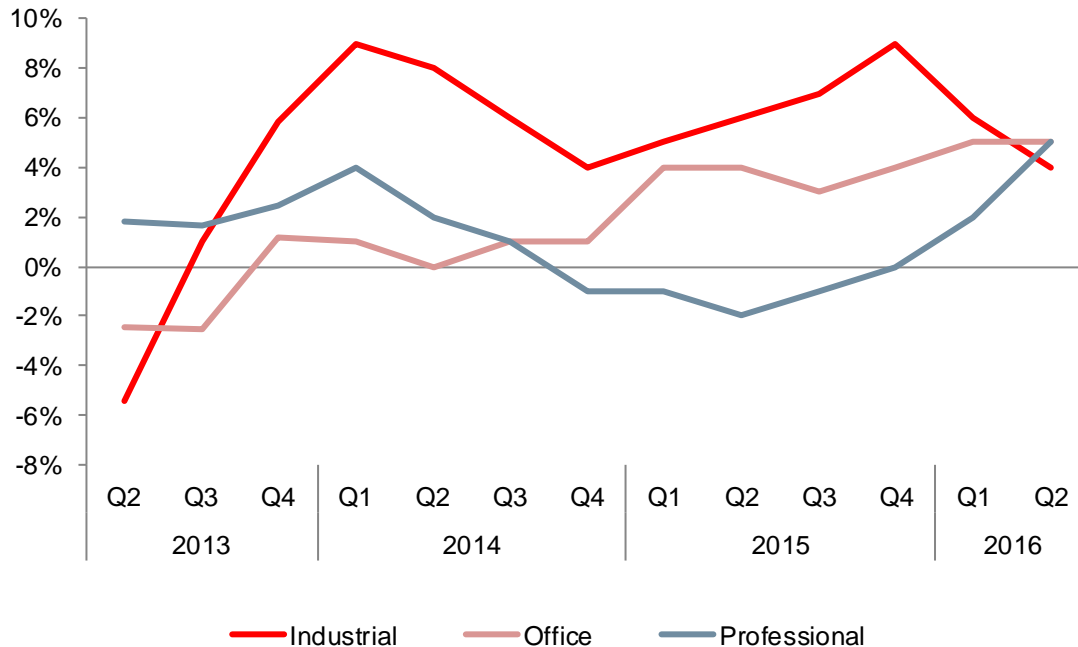
North America declined by 1% in Q2 2016, compared to 1% growth in the previous quarter

Rest of World (incl. Japan) grew by 9% in Q2 2016 compared to 10% in the previous quarter

1) Excluding LHH.

Revenue development by business line¹⁾

Organic year-on-year change in percent



Industrial grew by 4% in Q2 2016 compared to 6% in the previous quarter

Office grew by 5% in Q2 2016 the same as in the previous quarter

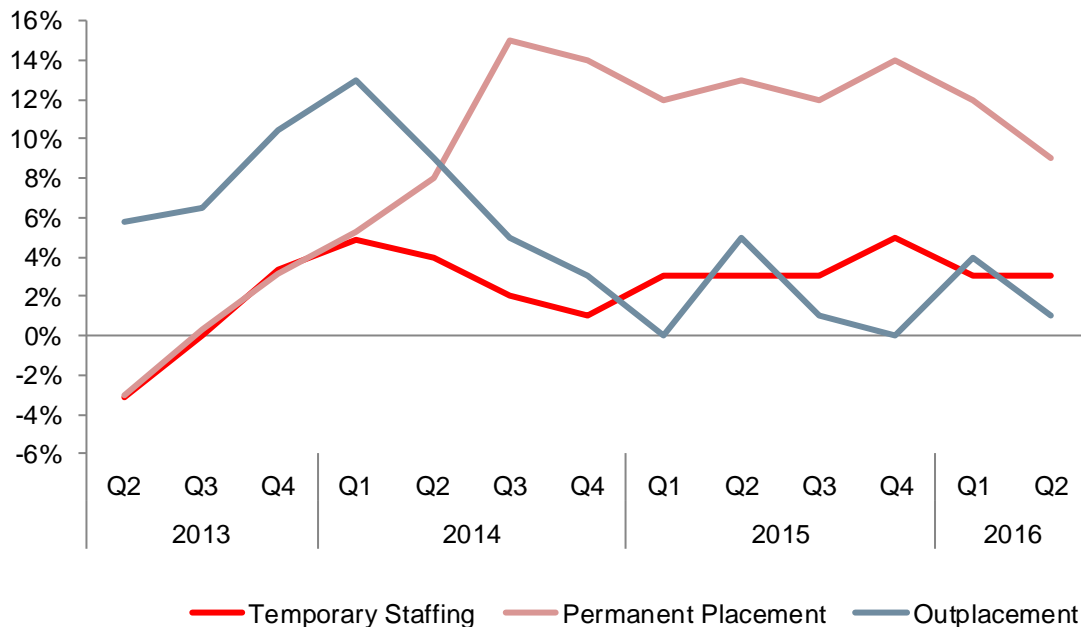
Professional Staffing grew by 5% in Q2 2016, compared to 2% in the previous quarter:

- IT: 6% (1% in Q1 2016)
- Engineering & Tech.: -2% (-8%)
- Finance & Legal: 7% (9%)
- Medical & Science: 13% (16%)

1) Excluding Solutions.

Revenue development by service line¹⁾

Organic year-on-year change in percent



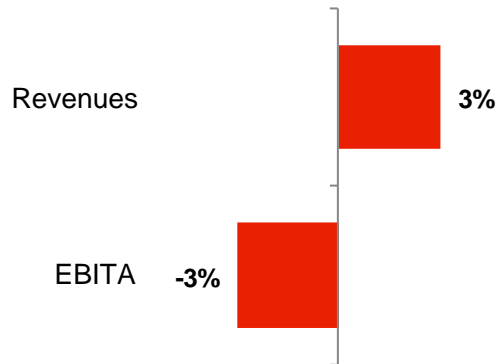
- Temporary staffing revenues grew by 3% in Q2 2016 the same as in the previous quarter
- Permanent placement revenues grew by 9% in Q2 2016 compared to 12% in the previous quarter
- Outplacement revenues grew by 1% in Q2 2016 compared to 4% in the previous quarter

1) Excluding Outsourcing and Other.

France

22% of group revenues in Q2 2016

Q2 yoy growth



EBITA margin



Revenues EUR 1,261 million, up 3% yoy
Perm revenues were up 23%



EBITA EUR 79 million
EBITA margin down 40 bps

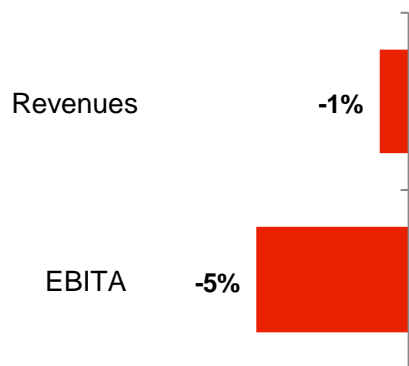


In June, revenue growth adjusted for trading days was similar to Q2

North America

20% of group revenues in Q2 2016

Q2 yoy growth¹⁾



EBITA margin



Revenues EUR 1,134 million, down 1% yoy in constant currency



EBITA EUR 66 million
EBITA margin down 30 bps



In June, the revenue decline adjusted for trading days was similar to Q2

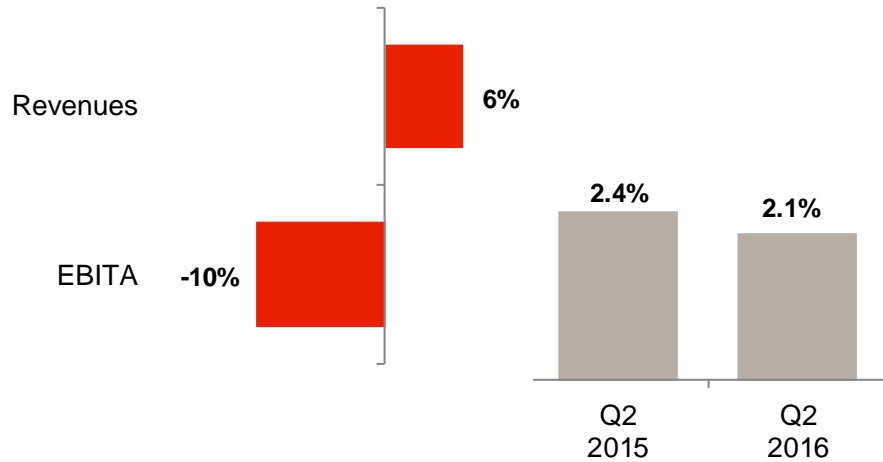
1) Growth rates are in constant currency.

UK & Ireland

10% of group revenues in Q2 2016

Q2 yoy growth¹⁾

EBITA margin



Revenues EUR 571 million, up 6% yoy organically



EBITA EUR 12 million
EBITA margin down 30 bps



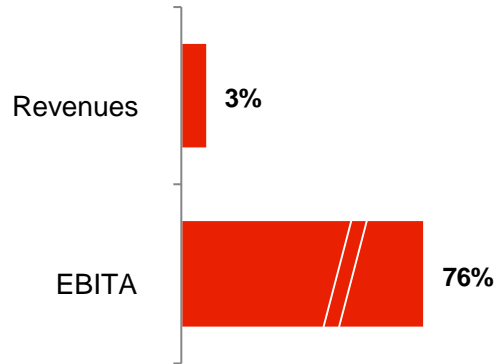
In June, the revenue growth adjusted for trading days was similar to Q2

1) Growth rates are organic.

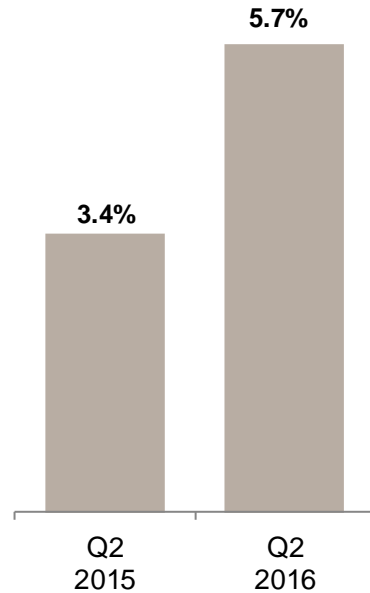
Germany, Austria, Switzerland

10% of group revenues in Q2 2016

Q2 yoy growth



EBITA margin



Revenues EUR 553 million, up 3% yoy
Germany & Austria up 4%
Switzerland down 1%

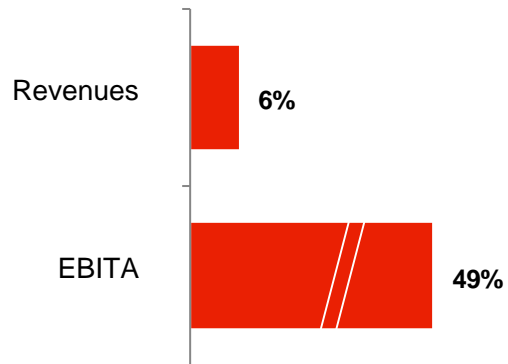
EBITA EUR 31 million
EBITA margin up 230 bps, mainly driven
by the timing of Easter

In June, revenue growth adjusted for
trading days improved slightly compared
to Q2 overall

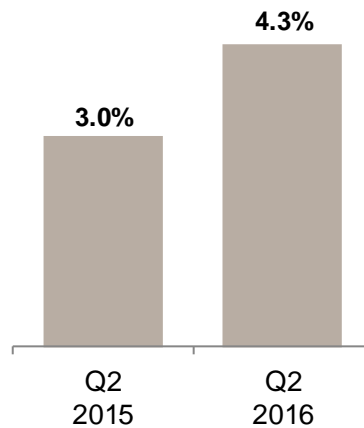
Benelux & Nordics

8% of group revenues in Q2 2016

Q2 yoy growth¹⁾



EBITA margin



Revenues EUR 473 million, up 6% yoy in constant currency.



EBITA EUR 20 million
EBITA margin at 4.3%, up 130 bps



In June, revenue growth adjusted for trading days was similar to Q2

1) Growth rates are in constant currency.

Revenues and EBITA by segment

Q2 2016 vs. Q2 2015

% of revenues	Revenues			EBITA ¹⁾		
	EUR millions	Organic change yoy	EUR millions	Margin	Margin change yoy	
22%	France	1,261	3%	79	6.2%	-40 bps
20%	North America	1,134	-1%	66	5.8%	-30 bps
10%	UK & Ireland	571	6%	12	2.1%	-30 bps
10%	Germany, Austria, Switzerland	553	3%	31	5.7%	230 bps
8%	Benelux and Nordics	473	6%	20	4.3%	130 bps
7%	Italy	374	9%	30	8.1%	80 bps
5%	Japan	312	4%	23	7.2%	140 bps
4%	Iberia	246	11%	12	4.7%	40 bps
12%	Rest of World	661	12%	19	2.8%	-30 bps
2%	Lee Hecht Harrison ¹⁾	111	0%	31	27.9%	-210 bps
	Corporate ¹⁾			(39)		
100%	Adecco Group¹⁾	5,696	4%	284	5.0%	10 bps

1) In Q2 2016 excluding integration costs of EUR 2 million in Lee Hecht Harrison. In Q2 2015 excluding integration costs of EUR 5 million in Lee Hecht Harrison and costs for contractual obligations to the former CEO and CFO of EUR 10 million in Corporate.

Financial review

Hans Ploos van Amstel, Group CFO

Q2 2016 – P&L

In EUR millions

EUR millions except share and per share information	Q2		Variance %	
	2016	2015	EUR	Constant Currency
Revenues	5,696	5,582	2%	5%
Gross profit	1,071	1,041	3%	6%
EBITA excluding one-offs	284	272	4%	6%
EBITA	282	257	10%	12%
Operating income	273	247	10%	12%
Income before income taxes	262	236	11%	
Net income	190	178	7%	
Net income attributable to Adecco shareholders	190	177	7%	
Basic earnings per share	1.11	1.02	9%	
Diluted earnings per share	1.11	1.02	9%	

Revenues up 5% in constant currency, 4% organically

EBITA excluding one-offs up 6% in constant currency

Net Income up 7%

Sequential revenue analysis

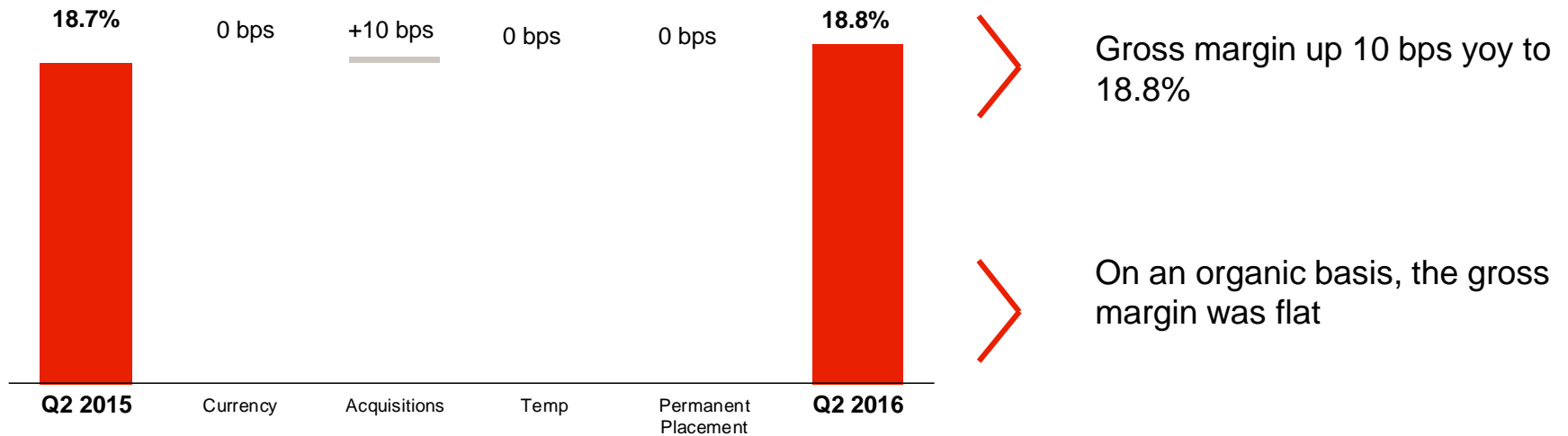
Adecco Group	Q1	Q2	Q3	Q4
2008	+	---	-	---
2009	---	---	=	=
2010	++	+	+	+
2011	+	=	=	=
2012	-	-	-	-
2013	=	=	=	=
2014	=	=	-	=
2015	+	=	-	=
2016	=	=		

- +** Above long-term growth trend¹⁾
- =** In line with long-term growth trend¹⁾
- Below long-term growth trend¹⁾

1) Long-term growth trend is the 12-year median of sequential growth for the relevant quarter, adjusted for currency, acquisitions, divestitures and trading days.

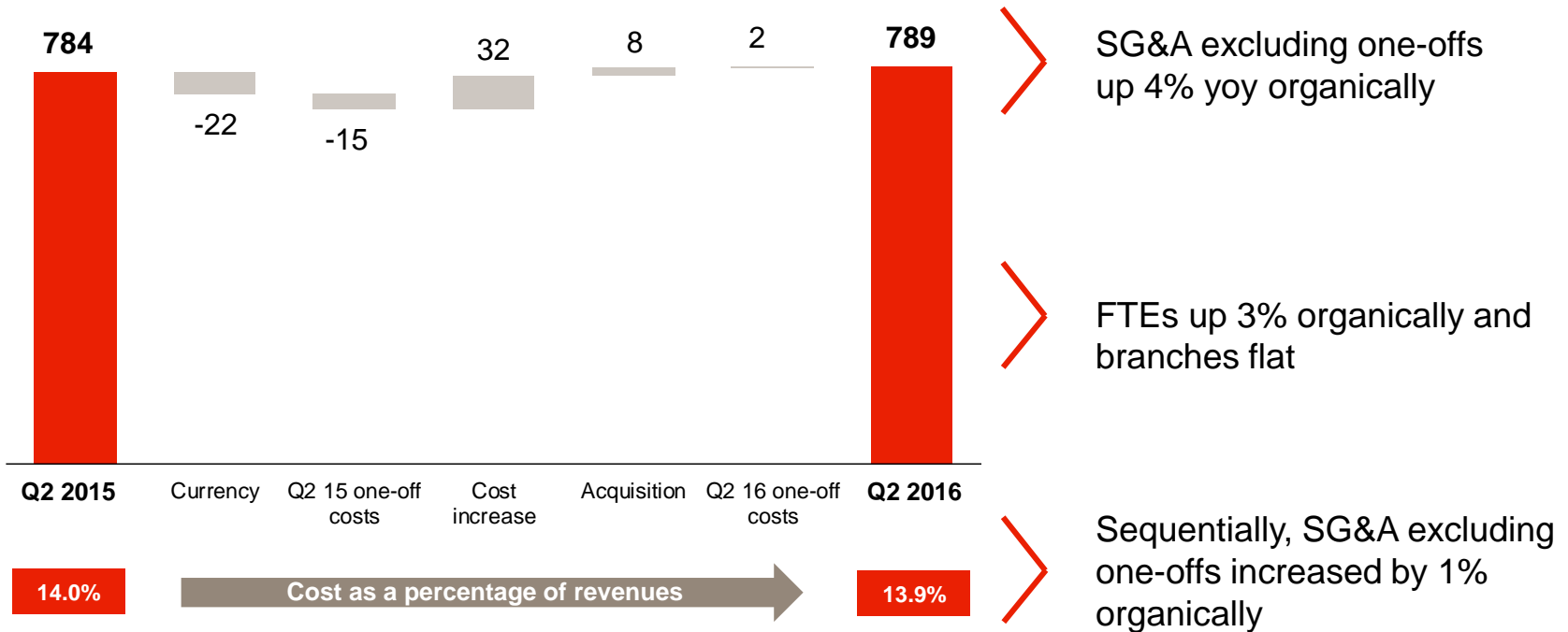
Q2 2016 gross margin drivers

As percentage of revenues



Q2 2016 SG&A movements

In EUR millions



Q2 2016 – Cash flow statement

In EUR millions

EUR millions	Q2	
	2016	2015
Cash flows from operating activities		
Net income	190	178
Adjustments to reconcile net income to cash flows from operating activities:		
– Depreciation and amortisation	30	33
– Other charges	2	5
Changes in operating assets and liabilities, net of acquisitions:		
– Trade accounts receivable	(296)	(270)
– Accounts payable and accrued expenses	138	97
– Other assets and liabilities	114	111
Cash flows from operating activities	178	154
Cash used in investing activities	(6)	(157)
Cash flows from financing activities	18	223
Effect of exchange rate changes on cash	5	(18)
Net increase in cash and cash equivalents	195	202
Cash and cash equivalents:		
– Beginning of period	753	921
– End of period	948	1,123

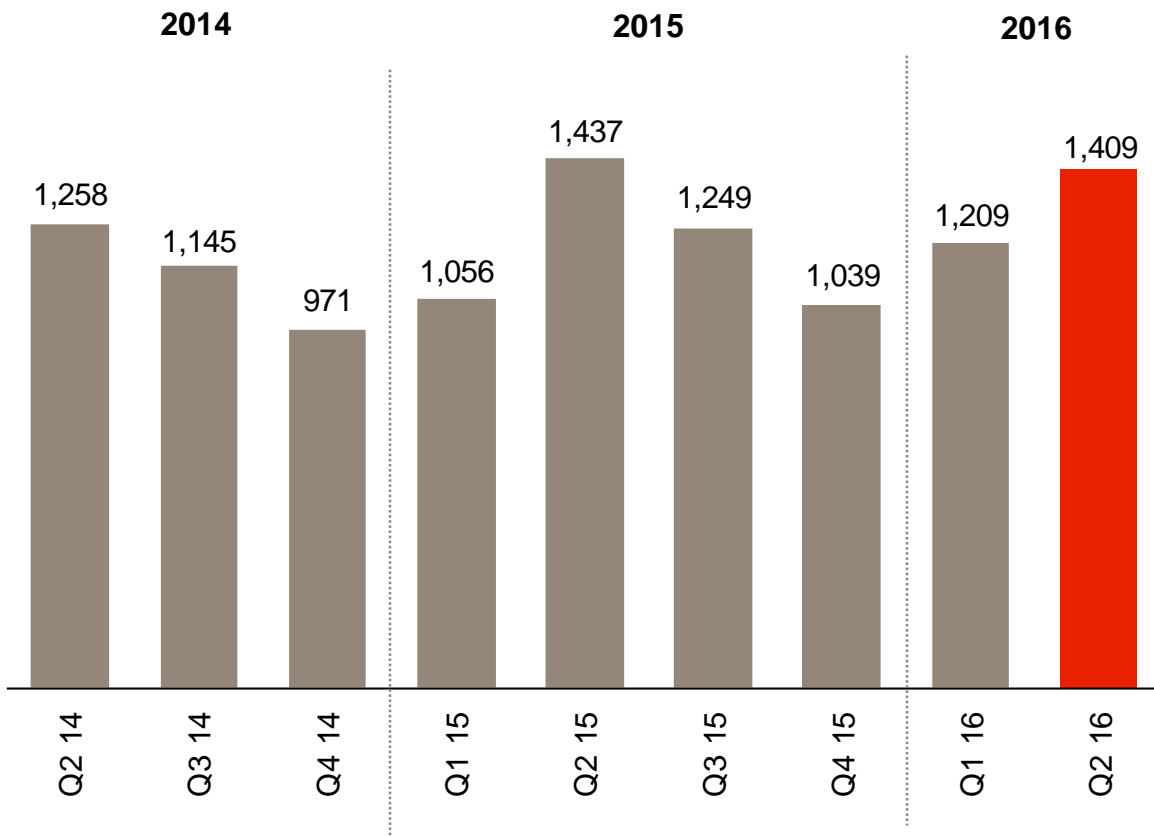
Q2 2016 cash flows from operating activities of EUR 178 million

In Q2 2016, cash flows used in investing activities included EUR 18 million capital expenditures

Q2 2016 cash flows from financing activities included EUR 372 million dividends paid to shareholders

Net debt development

In EUR millions



> Q2 2016 Net Debt / EBITDA¹⁾ of 1.1x

1) Last 4 quarters EBITDA, calculated as: EBITA excluding one-offs plus depreciation.

Current trading

Alain Dehaze, Group CEO

Current trading

Adecco Group:
In June, revenue growth was 3%, organically and adjusted for trading days

Europe:
In France revenue growth has recovered from a weaker May;
in the UK, no material Brexit impact so far

North America:
June exit rate similar to Q2, volume trend in July shows similar trend

Rest of the World:
Steady growth trend across the region

Question & Answers