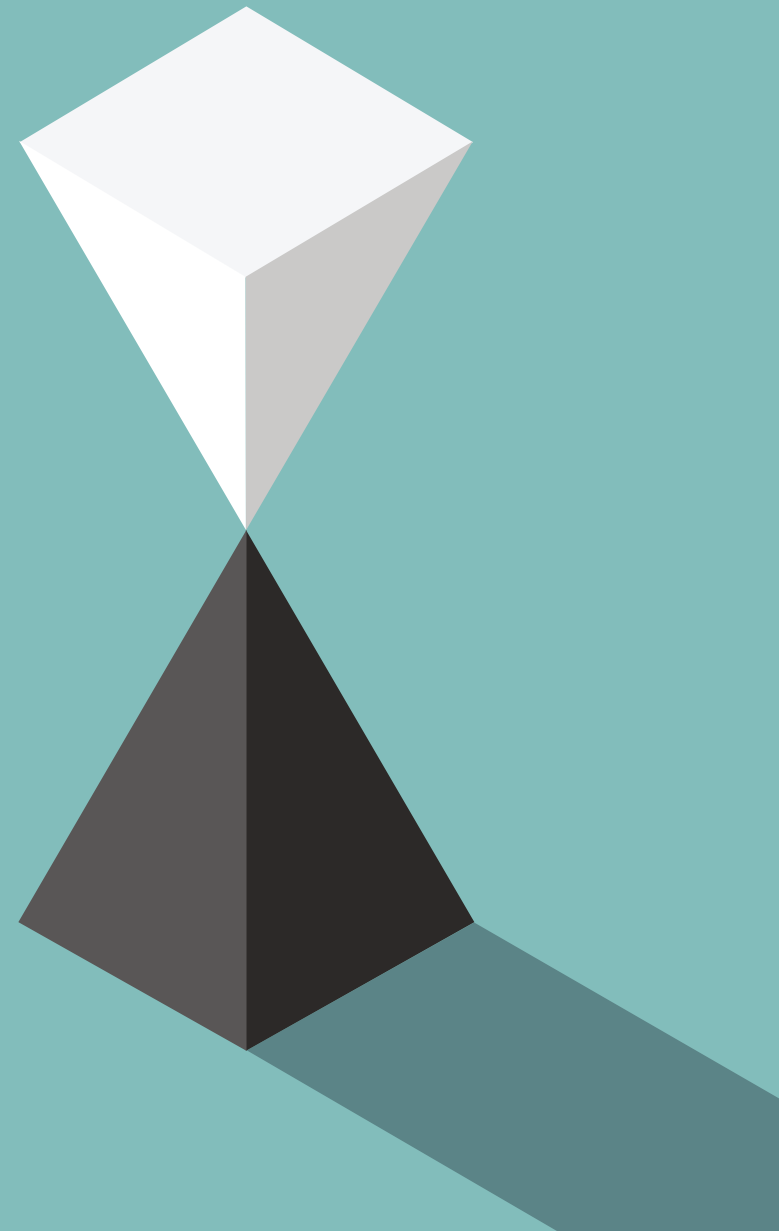




Q4 2020 Results

February 2021



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; 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.

'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.

Agenda Q4 2020

1 Highlights Q4 2020

2 Financial Performance

3 Outlook

4 Future@Work

5 Concluding Messages

6 Q&A

1. Highlights Q4 2020



Strong finish to an unprecedented year

Broad-based revenue recovery continued

- Digital capabilities and Onsite solutions driving market share gains
- Successfully meeting increased demand in growth areas (e.g. e-commerce, healthcare)
- Helping economies, companies and individuals get safely back to work

Sector-leading margin performance

- Agile cost management and strong focus on pricing
- Balanced business portfolio

Career transition & up/reskilling in demand

- Continued double-digit growth in Career Transition (LHH)
- Successful launch of Long-Term Temp Trainee (CDI-A) model in France, reaching 2,000 FTEs providing access to work and training

Stable dividend and share buyback

- Strong financial position supports capital returns to shareholders
- Dividend maintained through the crisis and share buyback reinstated

Financial highlights - Q4 2020

PERFORM

- Revenues down 5% organically and TDA, with consistent improvement since Q2 2020
- Gross margin up 50 bps yoy organically
- EBITA margin excl. one-offs at 4.8%, up 10 bps yoy organically
- Cash conversion of 123%; DSO down 3 days yoy

TRANSFORM

- GrowTogether annual benefits of EUR 240 million in FY20, despite Covid-19 impact
- Future@Work strategy launched to accelerate the Group's transformation

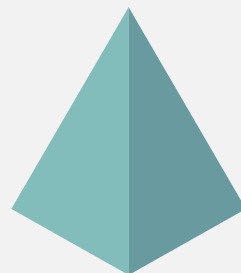
INNOVATE

- New models that integrate upskilling and reskilling into our flexible staffing solutions
- Combination of Hired and Vetterly to create the largest AI-driven recruitment marketplace

DIVIDEND & BUYBACK

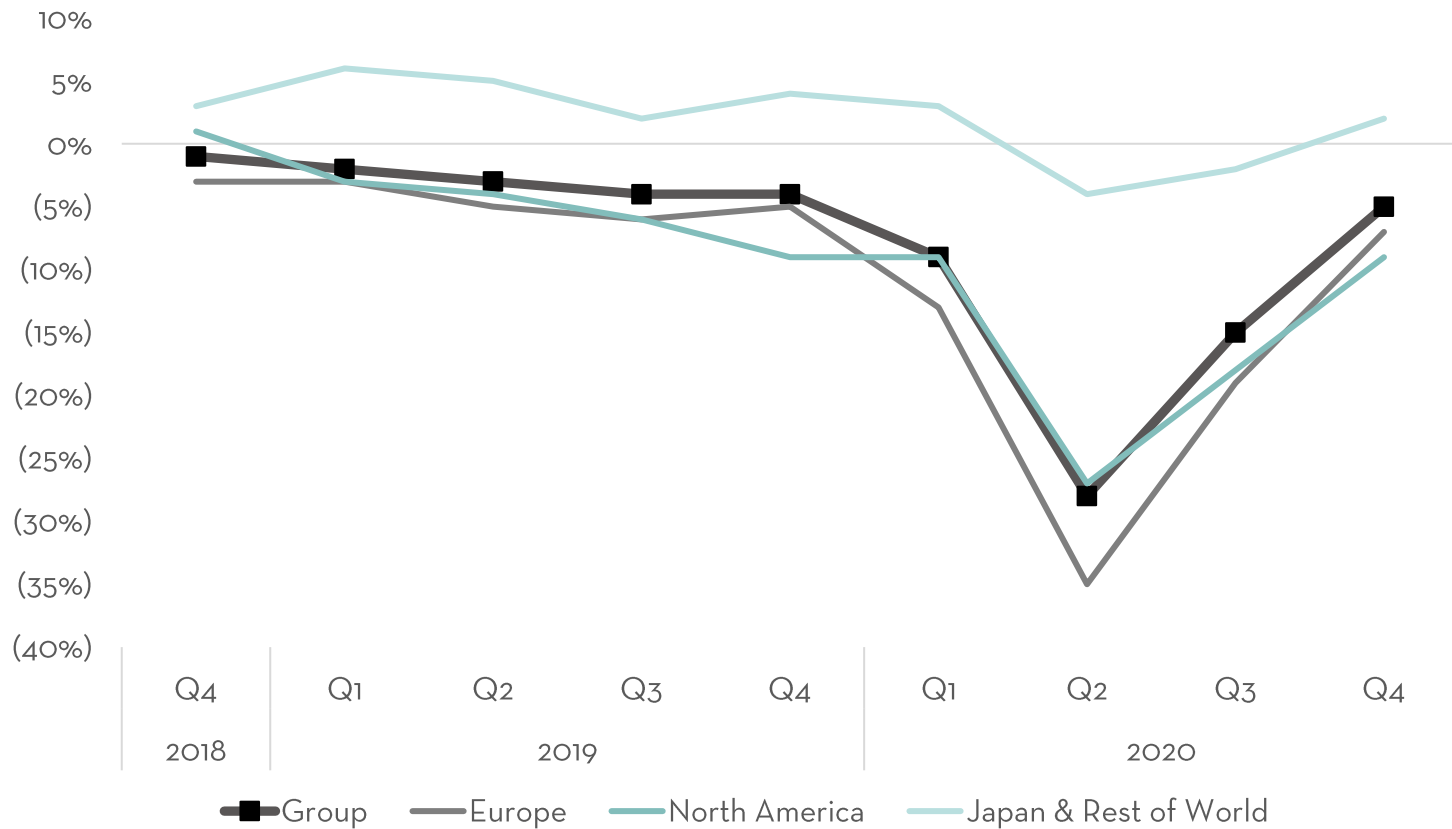
- CHF 2.50 dividend for FY20, stable year-on-year
- EUR 600 million share buyback reinstated following Covid-19 related suspension

2. Financial Performance



Broad-based revenue improvement in Q4 2020

Revenue growth development by region, organic and TDA (% YoY)



- Group revenues declined by -5% TDA in Q4 2020 (Q3: -15%); continuous improvement since the trough in April
- Europe down -7% TDA (Q3: -19%); resilient despite fresh lockdowns
- Continued recovery in North America, down -9% TDA (Q3: -17%)
- Japan and Rest of World returning to growth, up 2% TDA

Revenues outperforming market recovery in many regions

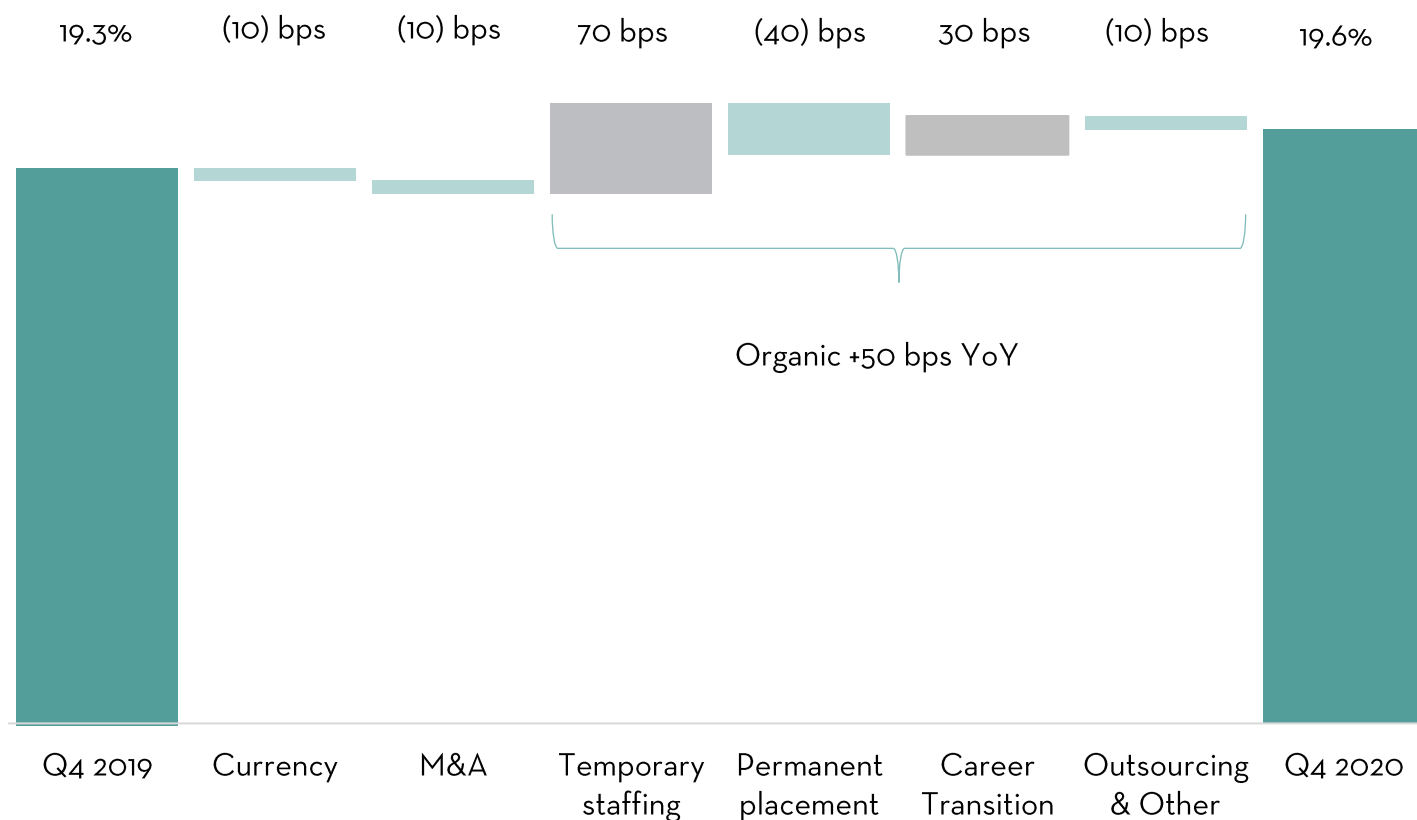
Segment organic revenue growth, trading days adjusted (%YoY) vs. market

	2019		2020			
	Q4	Q1	Q2	Q3	Q4	vs market
France	-3%	-14%	-44%	-18%	-10%	+
NA, UK&I General Staffing ¹	-10%	-15%	-28%	-12%	6%	NA = / + UK&I
NA, UK&I Professional Staffing ¹	-5%	-13%	-28%	-28%	-22%	NA = / - UK&I
Germany, Austria, Switzerland	-11%	-14%	-30%	-22%	-11%	G&A + / - CH
Benelux & Nordics	-9%	-15%	-35%	-26%	-19%	BEN - / - NOR
Italy	-6%	-6%	-23%	-8%	9%	+
Japan	8%	8%	5%	4%	0%	=
Iberia	6%	1%	-26%	-17%	6%	+
Rest of World	1%	1%	-10%	-6%	2%	=
Career Transition & Talent Dev.	10%	4%	-4%	9%	9%	+
Adecco Group	-4%	-9%	-28%	-15%	-5%	

¹) 2019 growth rates for NA, UK&I General Staffing and NA, UK&I Professional Staffing have been restated to confirm with the current period presentation

Continued positive gross margin development

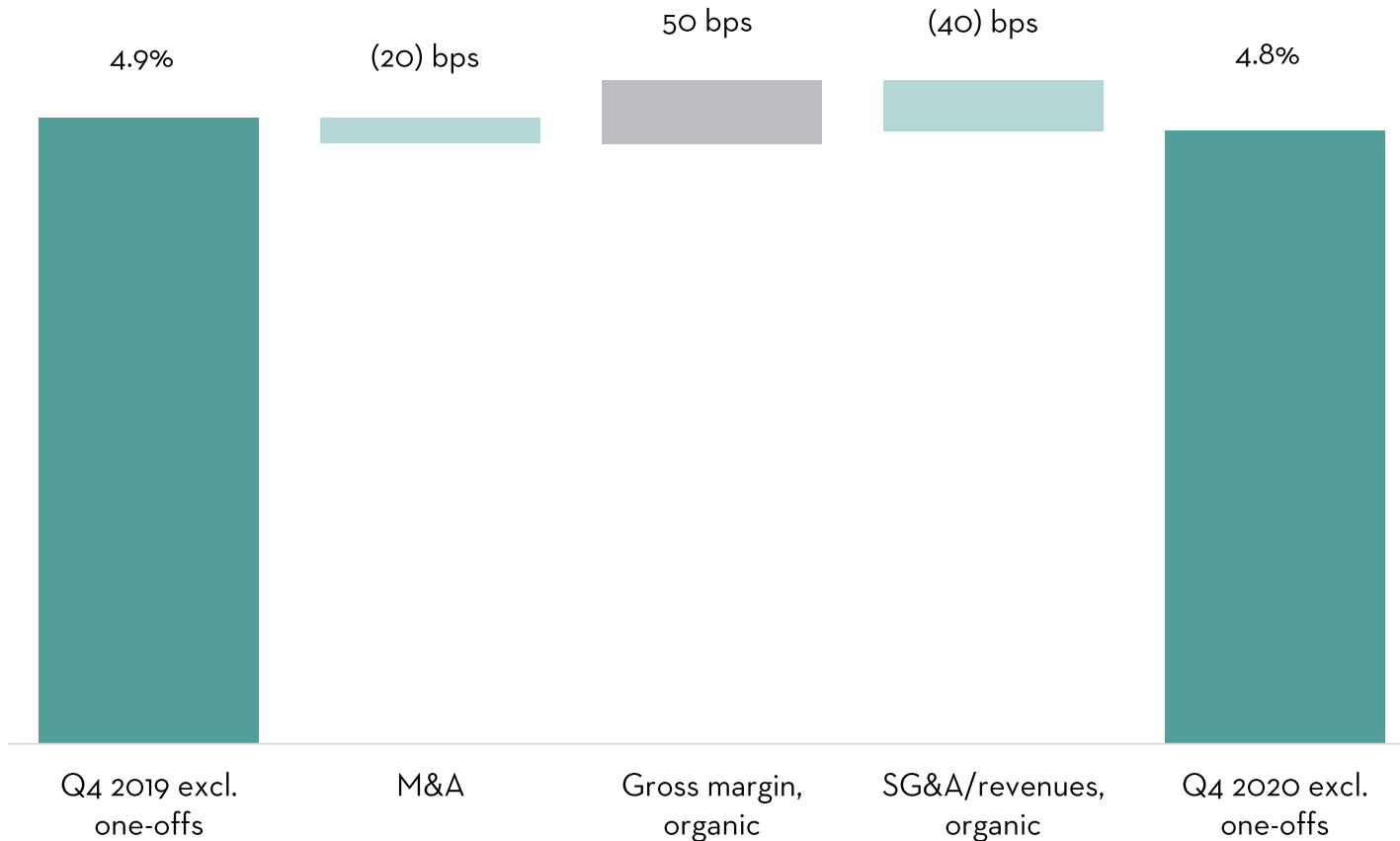
Q4 2020 gross margin drivers (year-on-year as % of revenues)



- Gross margin up 30 bps YoY on a reported basis and up 50 bps organically
- Growth in Career Transition (+30 bps) mostly offset continued declines in Permanent Placement (-40 bps)
- Temporary staffing gross margin (+70 bps); good underlying development augmented by impact of Covid-19 employment support schemes

Resilient EBITA margin

Q4 2020 EBITA margin drivers (year-on-year as % of revenues, excluding one-offs)



- Group EBITA margin protected despite revenue decline linked to Covid-19 crisis
- EBITA margin excluding one-offs 4.8%, down 10 bps year-on-year, or up 10 bps organically
- Margin supported by agile cost management, and positive gross margin development

Margin trends improving in most regions

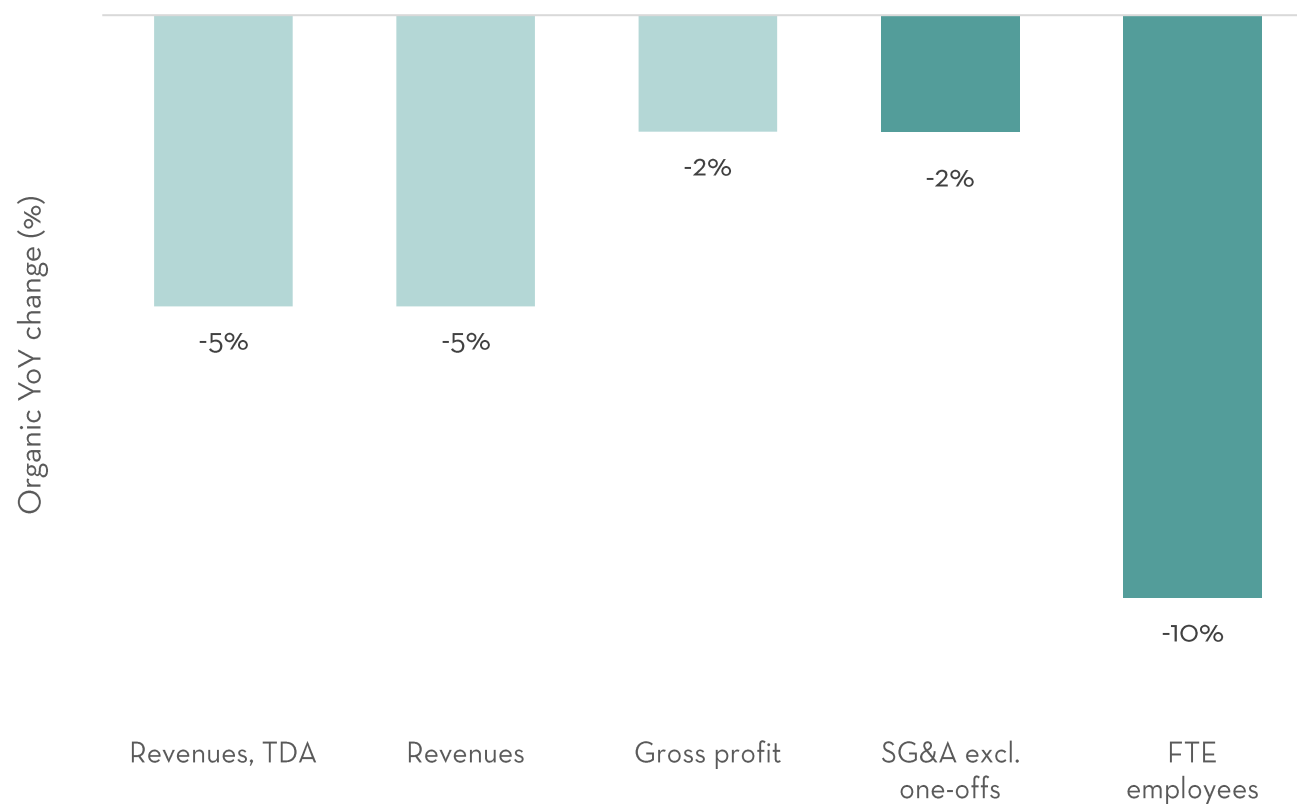
Development of segment EBITA margins excluding one-offs

	Q4 2020	Change YoY
France	6.2%	(90) bps
NA, UK&I General Staffing	5.6%	200 bps
NA, UK&I Professional Staffing	3.7%	(240) bps
Germany, Austria, Switzerland	2.1%	200 bps
Benelux & Nordics	5.5%	260 bps
Italy	7.4%	(10) bps
Japan	6.4%	(80) bps
Iberia	6.0%	100 bps
Rest of World	4.0%	40 bps
Career Transition & Talent Dev.	23.2%	370 bps
Adecco Group	4.8%	(10) bps

- Continued reduction in Covid-19 related costs in Q4, particularly in France and bench-model countries in Germany, Benelux & Nordics
- NA, UK&I General Staffing benefit from Covid-19 support schemes
- NA, UK&I Professional Staffing down 100 bps organically, due to perm declines
- Japan margin impacted by IT and digital investments
- Continued strong performance in CTTD, driven by LHH

Agile cost management offsetting lower revenues

SG&A relative to revenues and gross profit trends

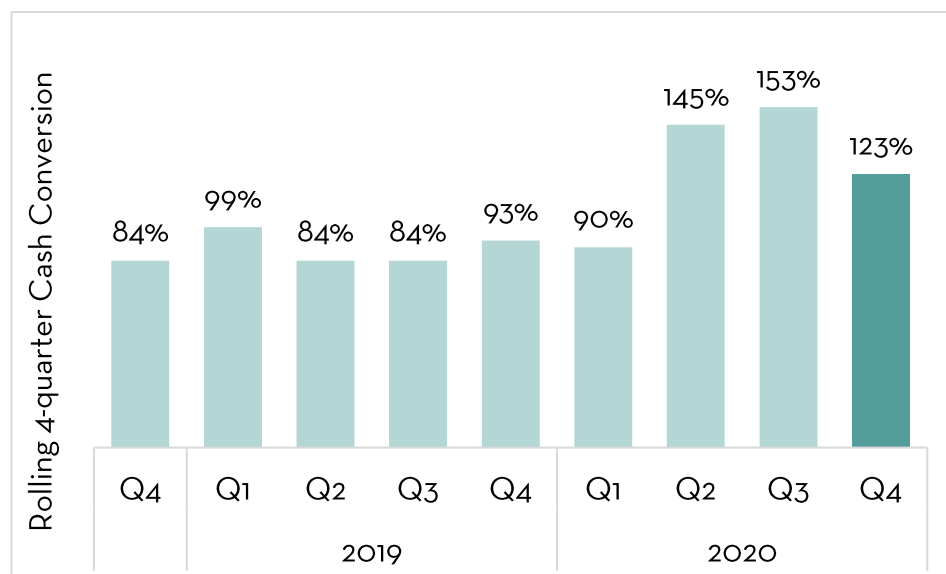


- Agile cost management while maintaining strategic investments
- SG&A excluding one-offs down 2% organically YoY in Q4 2020
- FTEs -10% YoY, personnel costs down 8% organically
- Partly offset by bonus/commissions, IT & digital expenses and start-up costs of Future@Work
- Gross profit per FTE up 8% organically

Strong Cash Flow and Balance Sheet

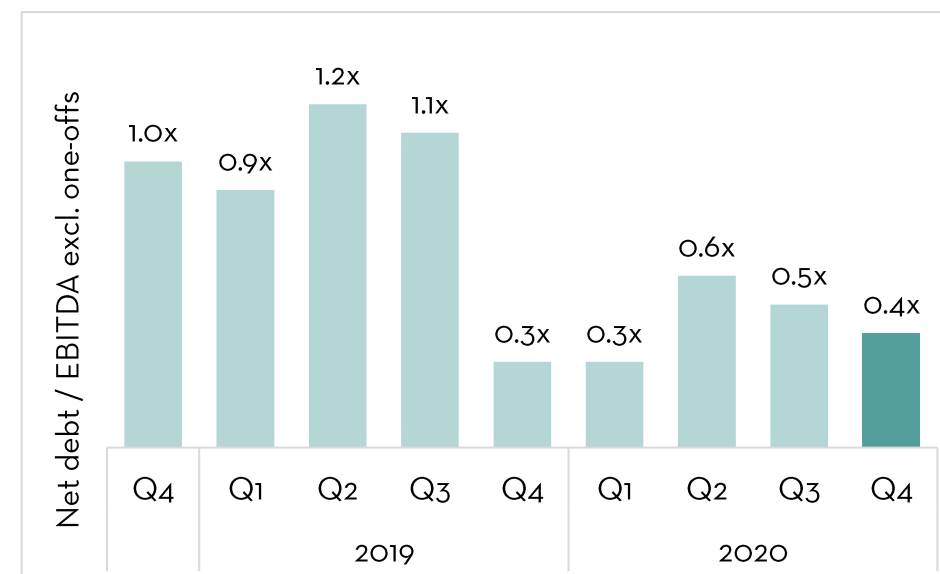
Cash flow

- Cash flow from operations EUR 159 million in Q4 2020, compared to EUR 382 million in Q4 2019
- Lower operating cash flow primarily driven by working capital investment, reflecting revenue recovery
- DSO at 49 days in Q4 2020 down 3 days YoY, thanks to strong collections discipline



Net debt

- Net Debt/EBITDA excl. one-offs 0.4x at 31 December 2020, modestly lower than at 30 September 2020
- Net debt of EUR 376 million at 31 December 2020, compared to EUR 462 million at 30 September 2020 and EUR 398 million at 31 December 2019



3. Outlook





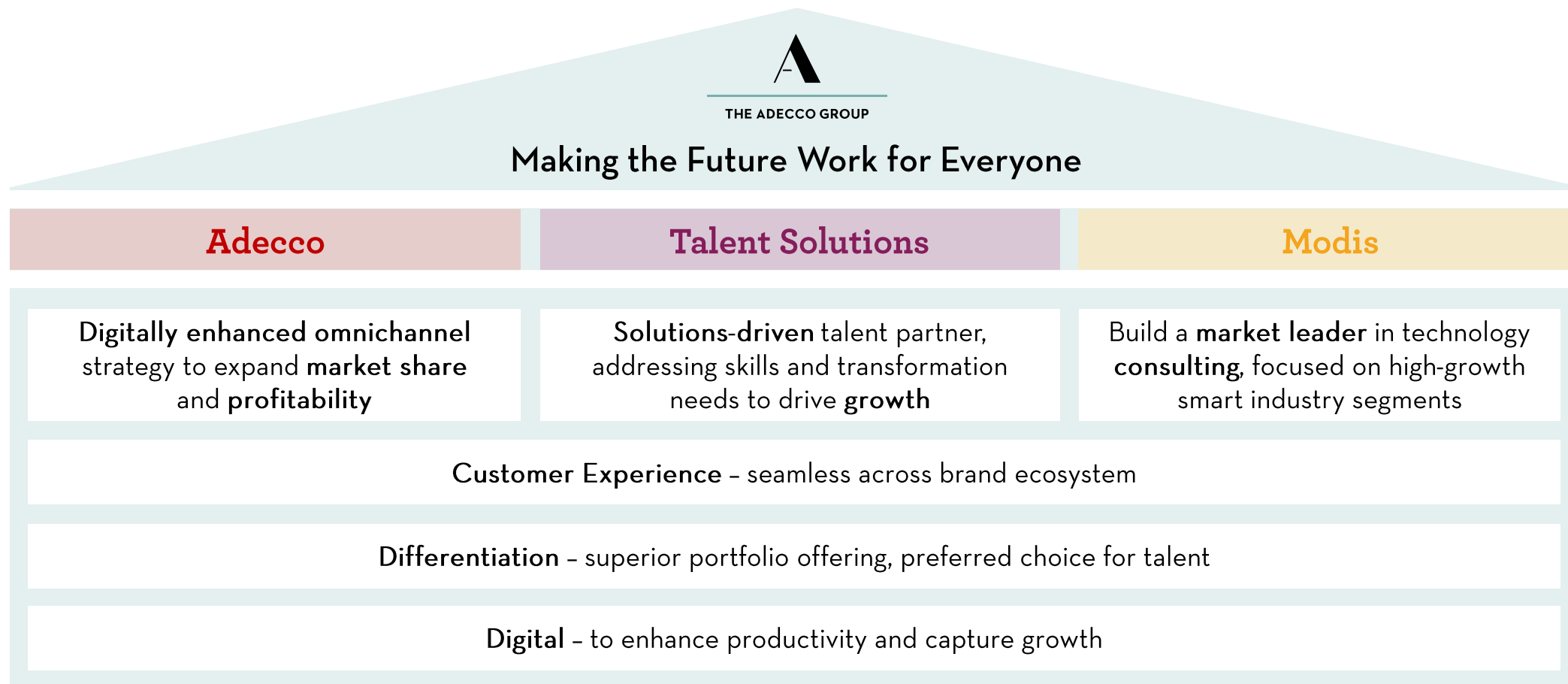
Outlook Q1 2021

- Revenue trend improved through Q4 2020, to a decline of 2% year-on-year in December, organically and trading days adjusted (TDA)
- Expanded Covid-19 lockdowns across much of Europe in early 2021 have not materially impacted demand, albeit sequential improvement has slowed, with revenues in January also down 2% TDA, and volumes in February indicating a similar trend
- Ongoing agile cost management, while continuing to invest in transformation and areas of growth
- Strong balance sheet and liquidity supports continued investment and business transformation
- Q1 2021 results will be presented under the new organisation structure outlined at the December Capital Markets Day. Comparable historical data will be provided prior to the publication of the Q1 results on 4 May 2021

4. Future@Work



Distinct strategies for our different business units, underpinned by three transformation enablers



Customer experience, differentiation and digital enable the strategies of all three Global Business Units



Customer Experience

The Customer at the Centre

Brand-driven organizational model drives focus & alignment, accelerates innovation

Consistent high-quality service through standardisation at scale

One-Company spirit and collective culture with the customer at the center



Differentiation

Sustainable 360° Offering

End to end solutions – most complete service offering combined with deep local expertise

Destination for talent – preferred partner for candidates, employer of choice for colleagues

ESG leadership sets us apart



Digital

Amplified by Technology & Data

Market leading product innovation deployed at scale with 24x7 accessibility and superior UX

Integrated processes, systems and technologies streamline & simplify

World class data science delivers unique insights

Financial Goals



Dual Revenue Growth Strategy:

- ◀ Market share in Adecco
- ◀ Investment in faster growth segments: Talent Solutions and Modis



Higher EBITA margin corridor of 3.0-6.0%¹:

- ◀ Cost savings and Productivity
- ◀ Mix shift towards higher margin segments: Talent Solutions and Modis



Strong cash flow: conversion > 90% on average¹

- ◀ Disciplined capex and M&A
- ◀ Progressive dividend and return of excess cash to shareholders

¹Through the business cycle

5. Concluding Messages



Strong finish to an unprecedented year

PERFORM

- Continued revenue recovery, supported by market share gains
- Ongoing gross margin expansion and resilient EBITA margin
- Strong balance sheet and cash flow support dividend and share buyback

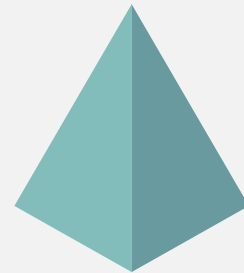
TRANSFORM

- Successful conclusion of GrowTogether
- Future@Work will build on it and accelerate the Group's transformation

INNOVATE

- New models that integrate upskilling and reskilling into our flexible staffing solutions
- Vetterly/Hired combination creates largest AI-driven recruitment marketplace

6. Q&A



Financial calendar

Date	Event
8 April 2021	Annual General Meeting
14 April 2021	Ex-dividend date
4 May 2021	Q1 2021 results
5 August 2021	Q2 2021 results
2 November 2021	Q3 2021 results



Thank you