Q1 24 report

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THE ADECCO GROUP
Adecco AKKODIS LHH

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. 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.

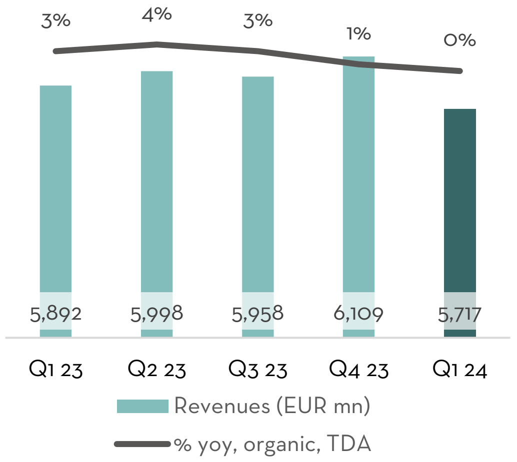
Q1 24 highlights

Further strong share gains

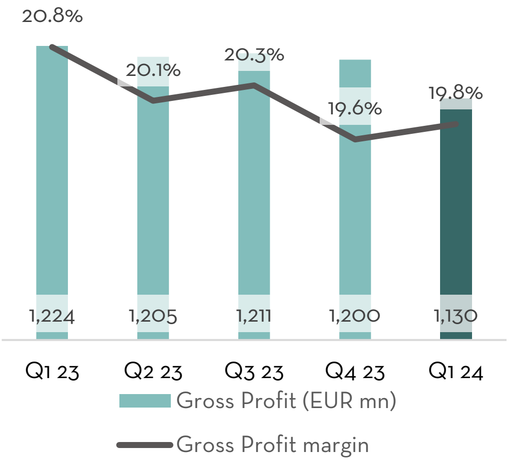
Margins weighed by current business mix; pricing firm

Disciplined execution; on-track to deliver G&A savings target

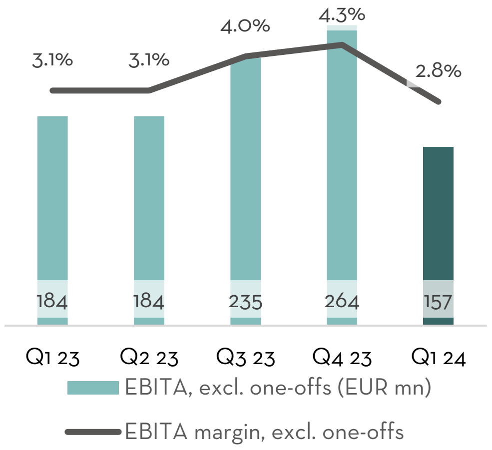
Revenues €5.7 bn
Stable yoy



Gross Profit **€1,130 mn**
19.8% margin



EBITA **€157 mn**
2.8% margin



Adj EPS €0.59	-18% yoy
Net debt/EBITDA	2.7x
FCF	-€93 mn
Cash conversion	73%

 Quarterly results reflect new company reporting policies, effective Jan 1, 2024

On track to deliver ~€150 mn G&A savings

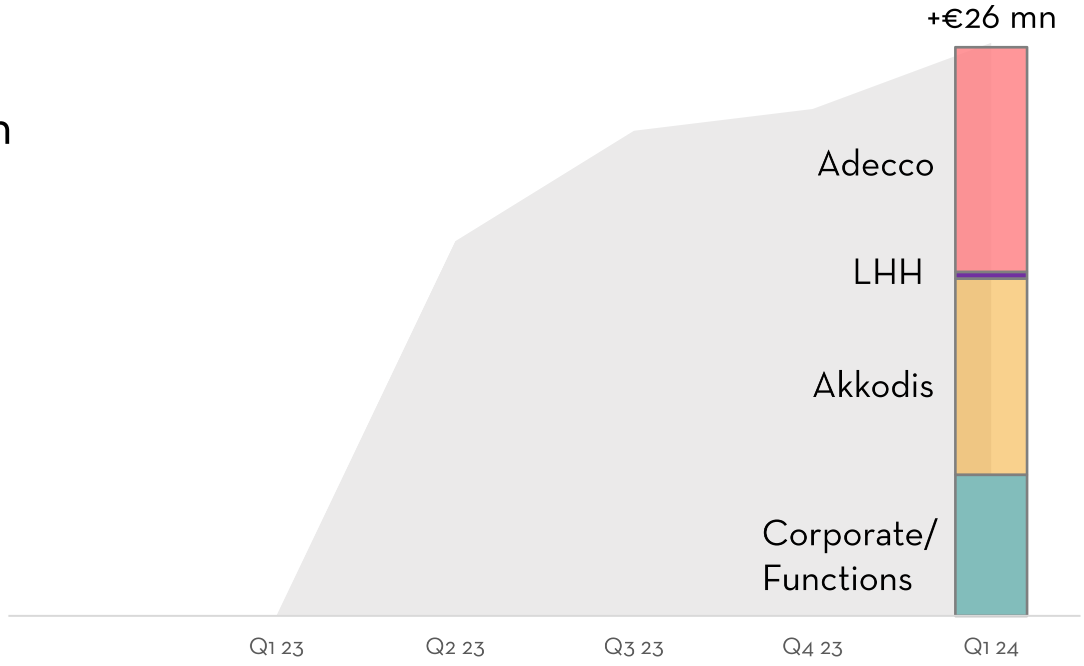
€26 mn net savings vs 2022 baseline in Q1 24, or -13%

Disciplined execution to deliver savings uplift in Q2 24, with further positive impact through H2 24

- New organisational structure to streamline leadership roles and Group functions, fully operational by mid-24
- Further local level optimisation, particularly continental Europe
- Select portfolio changes

Net G&A savings vs 2022 baseline, by quarter

(EUR mn, organic, budget rate)



Execute
better than ever

Building a GenAI powered business
Sharpened focus for 2024

Global Delivery

Career Co-Pilot

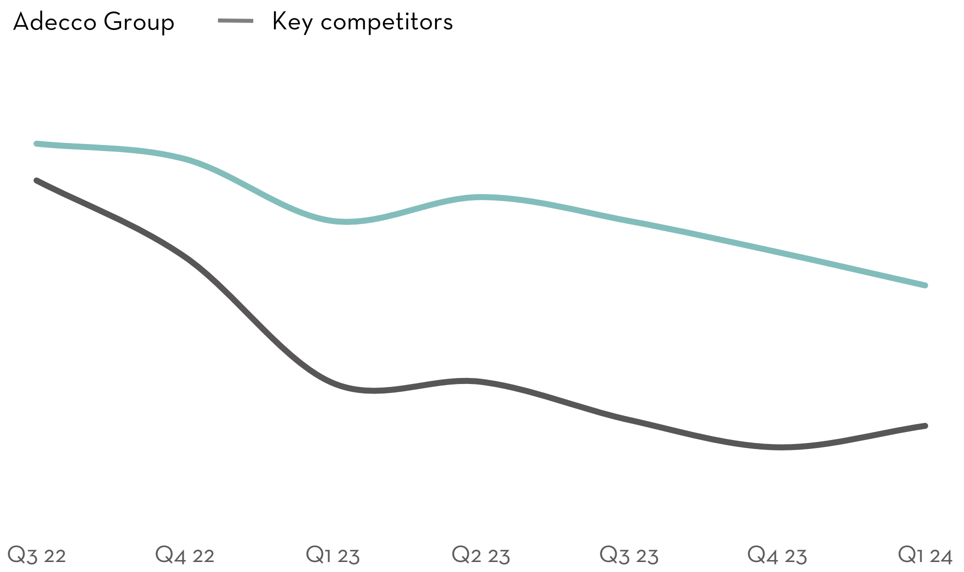
Recruiter Co-Pilot

Enhanced customer experience; improved recruiter productivity

Grow
our market share

Prioritising ways to grow and add value

Revenue growth (% yoy, organic TDA)



+590 bps market share gain (Q1 24)

MSP expansion

Adecco pontoon

Expanding professional services partnership with MSP offering
Healthcare, NAM

- On-site model expertise
- Strength of processes, visibility and accountability
- Optimised supply chain

Global deals

Adecco AKKODIS

Unique integrated driver onboarding and support services win
Mobility sector, NAM

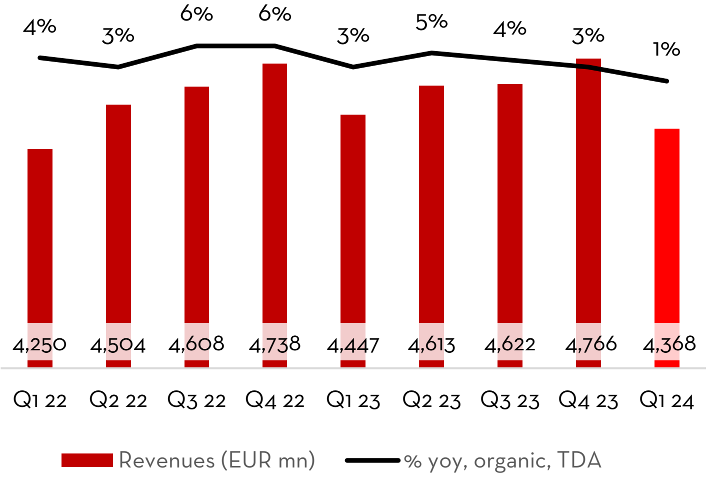
- Technical expertise to develop digital platform
- HR services know-how, at scale

MSP = Managed Services Provider

Adecco: outperforming markets; margins weighed by mix

Revenues **€4.4 bn**, +1% yoy

Share of Group 76%



APAC very strong

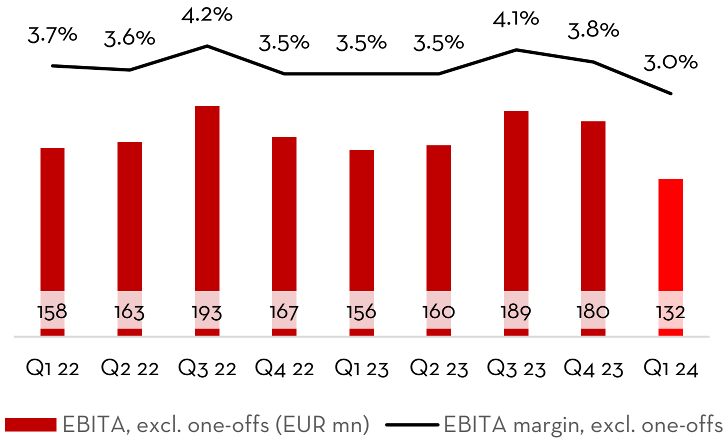
DACH, Southern Europe & EEMENA strong

Americas stable

Northern Europe, France weak

EBITA **€132 mn**, 3.0% margin

Share of Group 60%



EBITA margin -50 bps yoy

Current mix

FESCO JV timing -25 bps yoy

Operating leverage

- Relative revenue growth +600 bps
- Flex stable, Outsourcing +6%[1], Perm +1%[1]
- Retail, logistics strong; autos robust, manufacturing weak
- Gross margin healthy: geographic, sector and solutions mix weigh, pricing firm
- Improved productivity: GP/Selling FTE +2%, Selling FTEs -4% yoy

[1] yoy organic

Quarterly revenues and EBITA excl. one-offs for 2022 have been restated to reflect the transfer of part of AKKA US to Adecco US effective Jan 1, 2023. Quarterly revenues and EBITA margin for 2023 reflect new company reporting policies, effective Jan 1, 2024

Adecco: strong market share gains

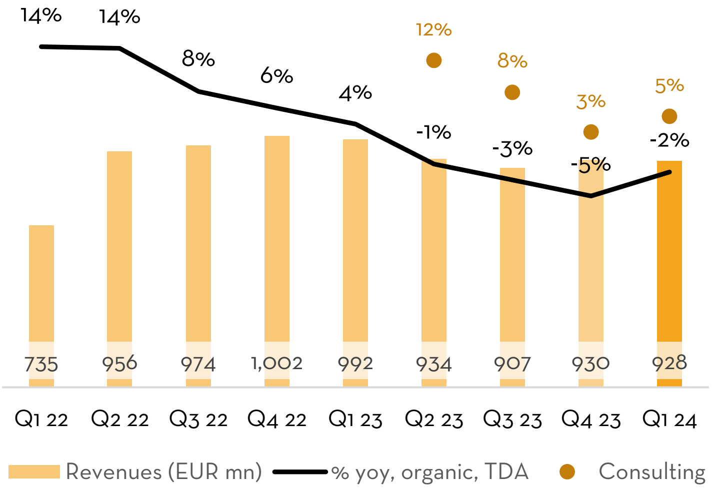
By Segment	Revenues Q1 24 € mn	Revenues Q1 24 % yoy	Market share Q1 24	EBITA and EBITA margin excl. one-offs Q1 24 € mn	Q1 24 margin	Change, bps yoy
France	1,097	**-7%**	→	27	**2.4%**	(100)
Northern Europe	536	**-6%**	↑	4	**0.8%**	(100)
DACH	426	**+7%**	↑	8	**1.9%**	(70)
Southern Europe & EEMENA (SEE)	1,083	**+8%**	↑	61	**5.7%**	+20
Americas	639	**-1%**	↑	4	**0.6%**	+60
APAC	588	**+14%**	↑	28	**4.7%**	(200)
Adecco	**4,368**	**+1%**	↑	**132**	**3.0%**	(50)

- **France:** weak demand, notably logistics, manufacturing, chemicals, retail. Margin also reflects lower vols, outsourcing contracts exit
- **Northern Europe:** UK&I -2%, Belux -1% in tough market, Nordics -12%, hindered by regulatory change
- **DACH:** Germany +8%. Logistics, autos strong; professional services solid. Margin reflects fewer working days
- **SEE:** Italy +2%, Iberia +17%, EEMENA +13%. Strong growth in logistics, autos, F&B
- **Americas:** LatAm +25%. NAM -12%, temp demand subdued. Calibrated investment in network to drive future growth
- **APAC:** Japan +10%, India +12%, Asia +4%. Australia & New Zealand +57%, driven by significant new government contract. Margin reflects FESCO JV timing

Akkodis: solid execution in tough tech staffing market

Revenues €928 mn, -2% yoy

Share of Group 16%



North EMEA -3% yoy

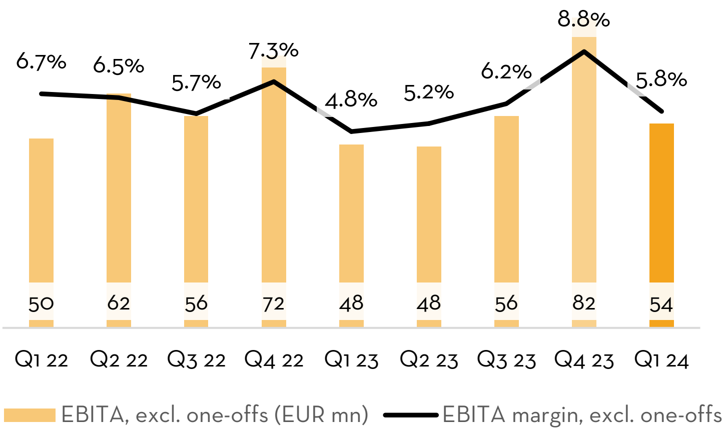
South EMEA +1% yoy

North America -14% yoy

APAC +6% yoy

EBITA €54 mn, 5.8% margin

Share of Group 25%



EBITA margin +100 bps yoy

Lower volumes

Favourable services mix

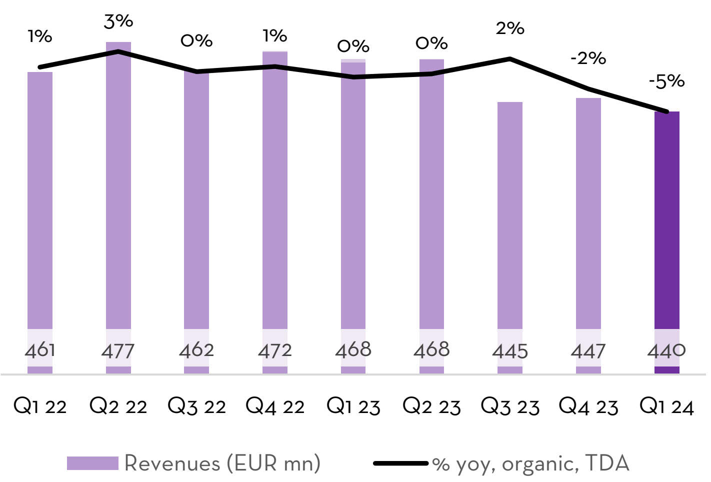
Synergies

- Consulting +5%, Staffing -20%
- EMEA resilient. France -1%, strength in autos, aerospace; financial services, telecoms weak. Germany -3%, reflecting strategic repositioning, elevated sickness
- NAM staffing impacted by continued tech staffing downturn; Consulting +39%
- Japan +8%, strength in Consulting, supported by high utilisation. Australia weak due to tech staffing downturn
- Consulting & Solutions EBITA margin ~7.0%
- Focused on revenue synergy capture to deliver targeted FY24 synergies ~€75 mn

Quarterly revenues and EBITA margin for 2023 reflect new company reporting policies, effective Jan 1, 2024
In 2022, AKKA was consolidated 24 Feb; quarterly revenues and EBITA figures include AKKA's contribution, while the organic growth rates yoy are for Modis only. In addition, quarterly revenues and EBITA excl. one-offs for 2022 have been restated to reflect the transfer of part of AKKA US to Adecco US effective Jan 1, 2023

LHH: Recruitment Solutions subdued, strength in Career Transition

Revenues **€440 mn,** -5% yoy
Share of Group 8%



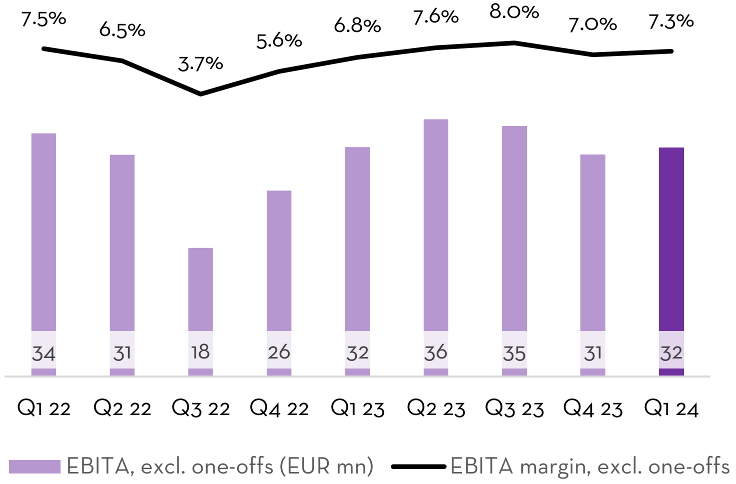
Recruitment Solutions (RS) -16% yoy

Career Transition & Mobility (CT&M) +9% yoy

Learning & Development (L&D) -10% yoy[1]

Pontoon & Other +3% yoy

EBITA **€32 mn,** 7.3% margin
Share of Group 15%



EBITA margin +50 bps yoy

Lower volumes

Supportive mix

Good cost discipline

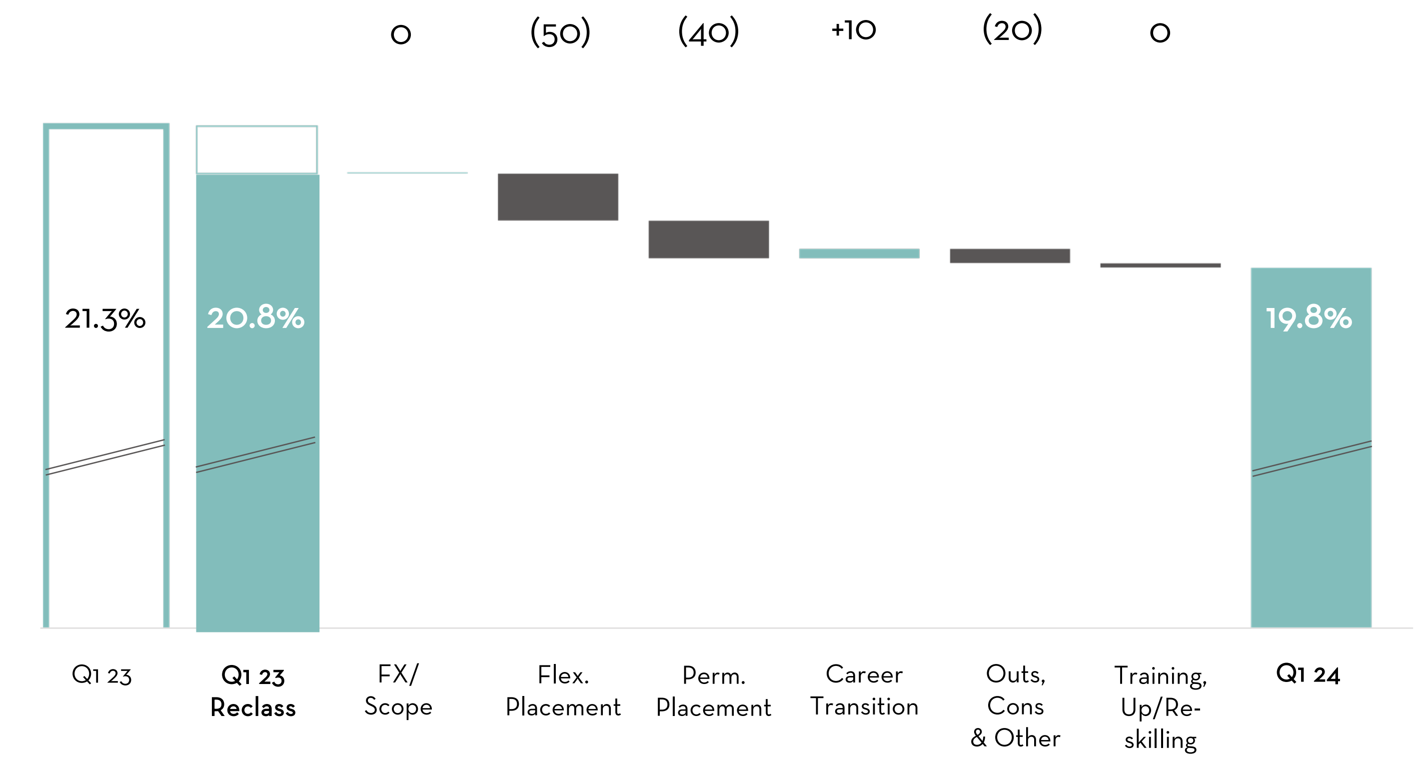
- RS: Gross profit –19% (Q4 23 -21%), with US -20%. Signs of stabilisation in US perm. placement, qoq
- CT&M: strong result given demanding comparison (+74% vs Q1 22), with further share gain. Canada, US, UK and France strong. Pipeline solid
- L&D: Ezra +64%[1], pipeline strong. General Assembly, Talent Development challenged
- Pontoon: +8%, led by Direct Sourcing; MSP/RPO challenged by tech downturn

[1] yoy organic
Quarterly revenues and EBITA margin for 2023 reflect new company reporting policies, effective Jan 1, 2024.

Margins weighed by current business mix

Q1 24 gross profit bridge by service line

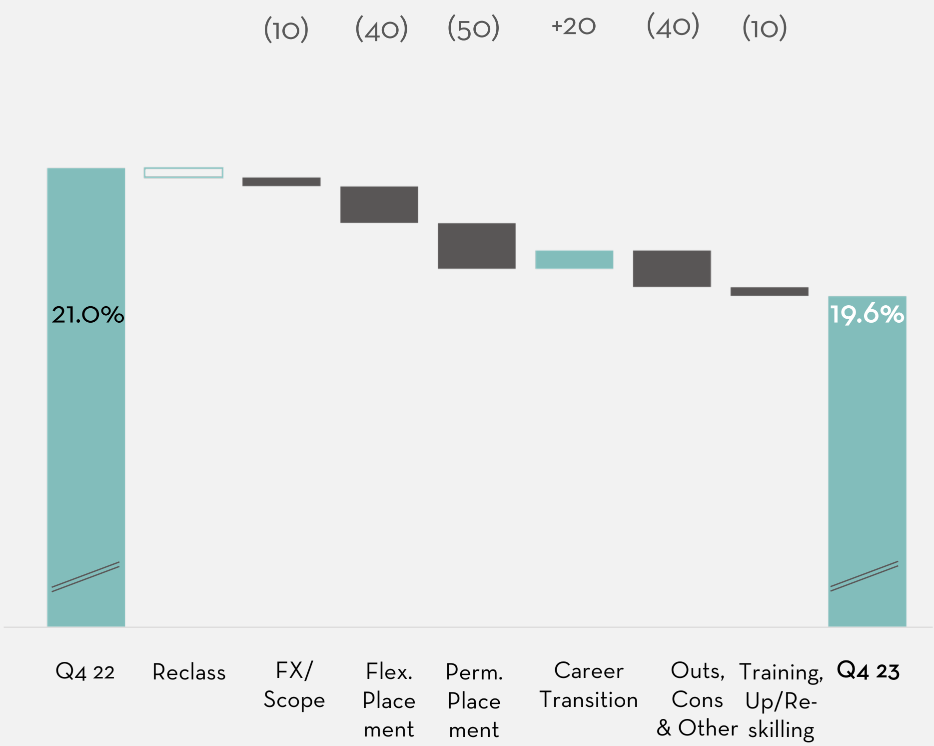
(As % of revenues yoy, in bps)



As % of Group (approx.)	Flex. Placement	Perm. Placement	Career Transition	Outs, Cons & Other	Training, Up/Re-skilling
	50%	15%	10%	20%	5%

Recap: Q4 23 gross profit bridge

(As % of revenues yoy, in bps)

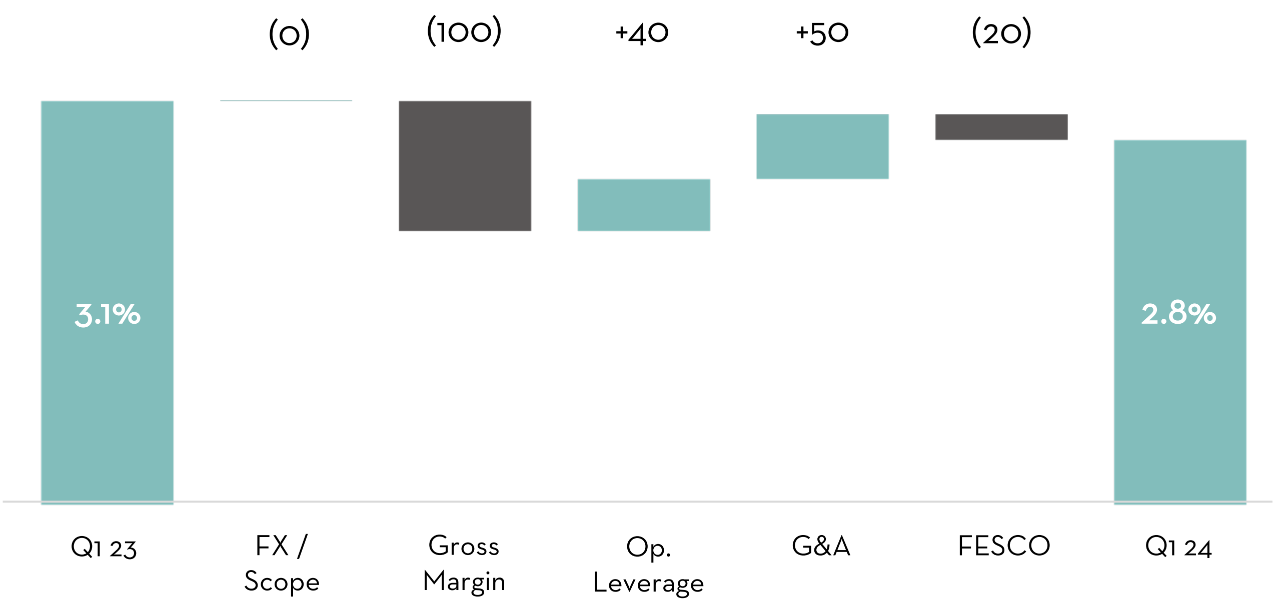


Estimated Q4 23 gross profit bridge using new company reporting policies, effective Jan 1, 2024

Disciplined execution drives resilient EBITA margin

Q1 24 EBITA bridge, excl. one-offs

(As % of revenues yoy, in bps)



- GP/Selling FTE -2% yoy; Selling FTEs -5% yoy
- SG&A expenses -6% yoy, to 17.1% of revenues
- G&A expenses -12% yoy, to 3.7% of revenues

Recap: Q4 23 EBITA bridge, excl. one-offs

(As % of revenues yoy, in bps)

Estimated Q4 23 EBITA bridge using new company reporting policies, effective Jan 1, 2024

[1] Other includes one-time and/or special items, contribution from FESCO JV

Sound cash generation and financing structure

Cash flow, Q1 24

Operating Cash Flow **-€67 mn**, +€49 mn favourable yoy

Net Working Capital **+€74 mn** favourable yoy:

- Strongly positive payables development, driven by timing differentials, partly mitigated by
- Unfavourable calendar impacts, particularly in other asset/liabilities, and
- DSO of 53 days, up 1 day yoy

Capex **-€26 mn**, +€23 mn favourable yoy

FCF **-€93 mn**, +€72 mn favourable yoy

73% cash conversion ratio

Balance sheet and liquidity position, end Q1 24

Debts	Cash & facilities
2.7x Net debt/EBITDA	**€2 bn** Total cash and undrawn facilities
€2,660 mn Net debt	incl. **€750 mn** Undrawn RCF
no covenants	**no** commercial paper outstanding

Near-term outlook

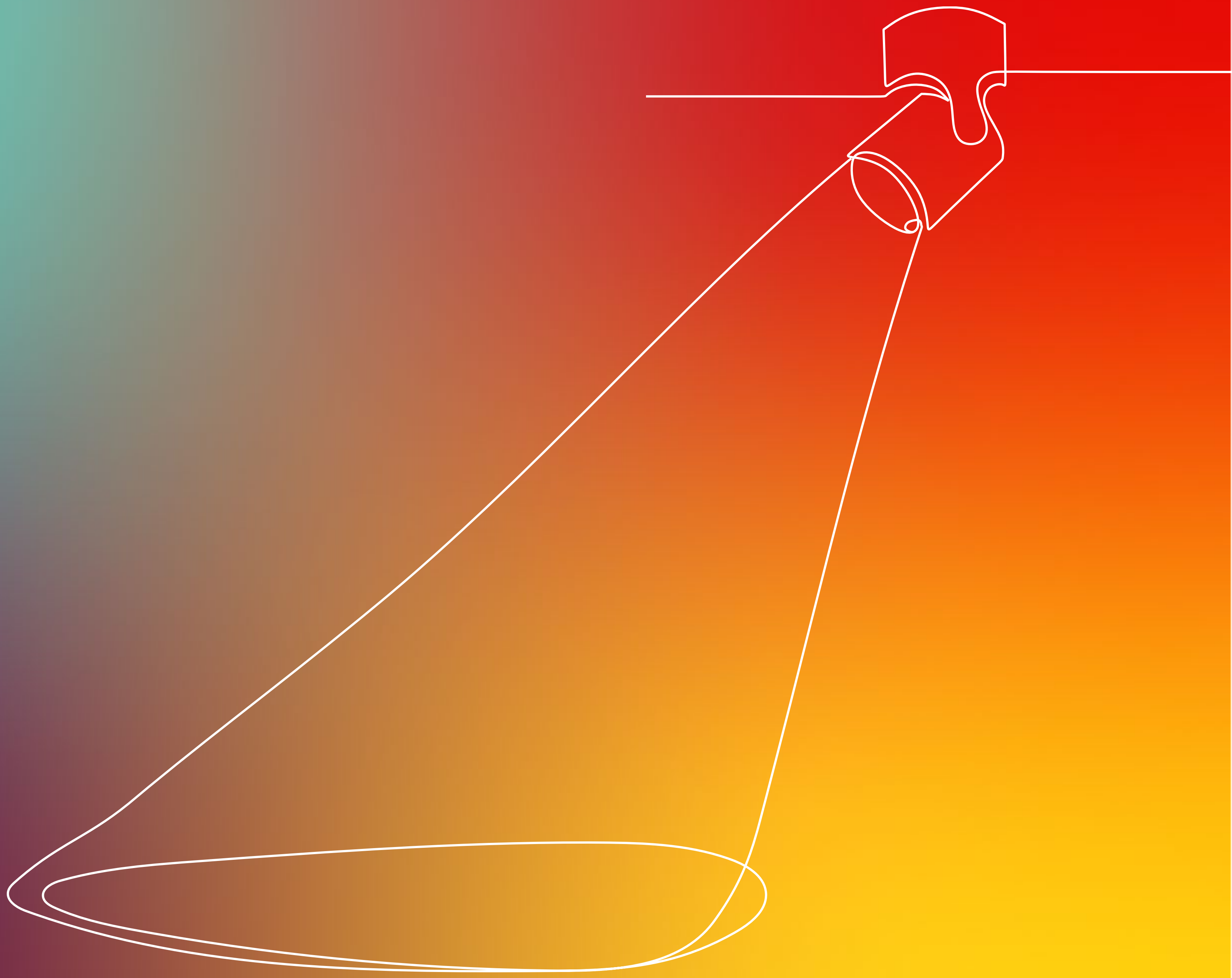
- Q2-to-date, volumes have been stable when compared to Q1 2024 levels
- Revenue developments in Q2 24 are expected to reflect a slightly tougher comparison period than in Q1 24
- The Group anticipates continued market share gain in a challenging macroeconomic environment while managing resources with agility, focusing on productivity and G&A savings
- In Q2 2024, the Group expects its gross margin to be broadly in line with Q1 2024 levels
- SG&A expenses, excl. one-offs, as a percentage of revenues, are expected to improve modestly versus Q1 24, despite seasonality

Closing remarks

- ✓ Further strong share gains, outperforming markets
- ✓ Disciplined execution, on track to deliver ~€150 mn G&A savings
- ✓ Preserving resources where appropriate to swiftly capitalise on future market rebound

Relentless focus on market share gain, improved profitability

Q&A



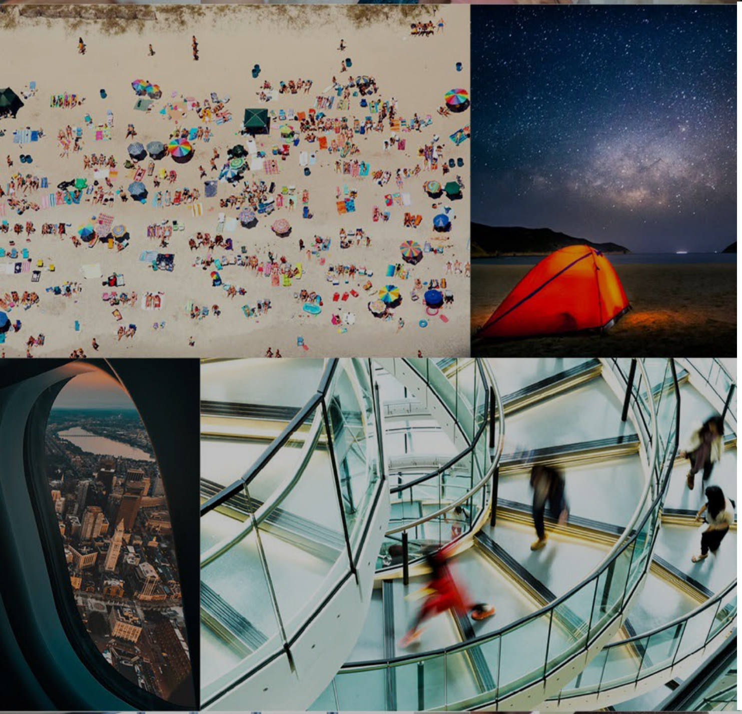
Appendix

Additional financial framework

EUR mn, unless otherwise stated	FY 2023	FY 2024 Est.	Q1 2024	Q2 2024 Est.
One-off costs	(133)[1]	~ (90)	(13)	~ (40)
Depreciation	(155)	~ (160)	(41)	~ (40)
Amortisation	(102)	~ (80)	(22)	~ (22)
Interest expense	(77)	~ (80)	(17)	~ (20)
Other income/(expenses), net	(48)	~ (25)	1	~ (5)
Effective tax rate	36%[2]	~ 30%[3]	31%[2]	~ 30%[3]
Capital expenditure	(216)	~ (180)	(26)	~ (45)

	FY 2023	FY 2024 Est.	Q1 2024	Q2 2024 Est.
Foreign exchange impact on revenues *(at current rates, yoy)*	~ (2.1)%	~ (1.0)%	(1.5)%	~ (1.0)%
Trading Days Adjustment *(difference in trading hours, yoy)*	(0.2)%	0.7%	(1.4)%	+1.0%

[1] Of which, EUR 92 mn mainly G&A related, and EUR 41 mn AKKA integration and related costs. [2] Tax rate including discrete events. [3] Tax rate guidance excluding discrete events.



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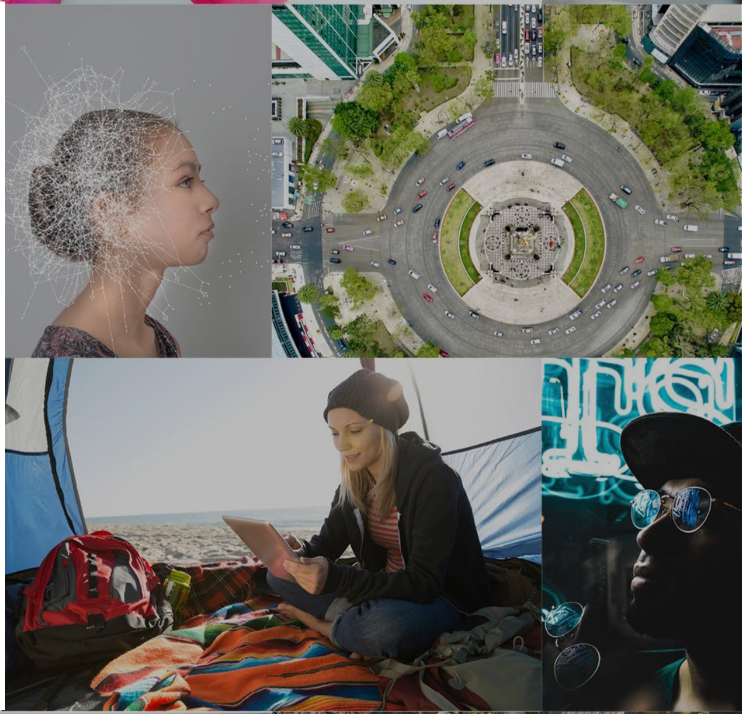

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