

Strategy update

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President of Adecco

7 November, London

Adecco

**Capital
Markets
Day 2023**

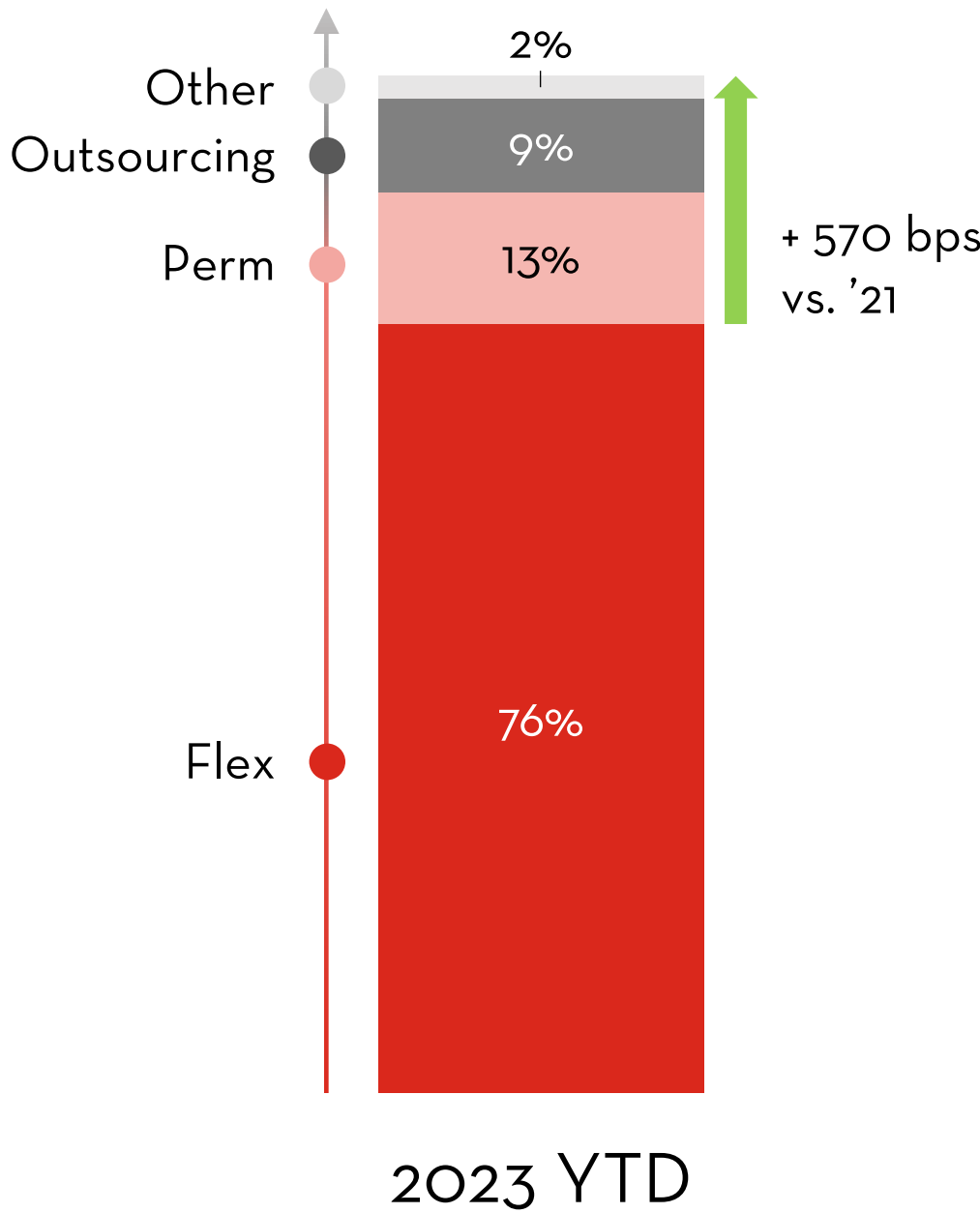


Adecco today

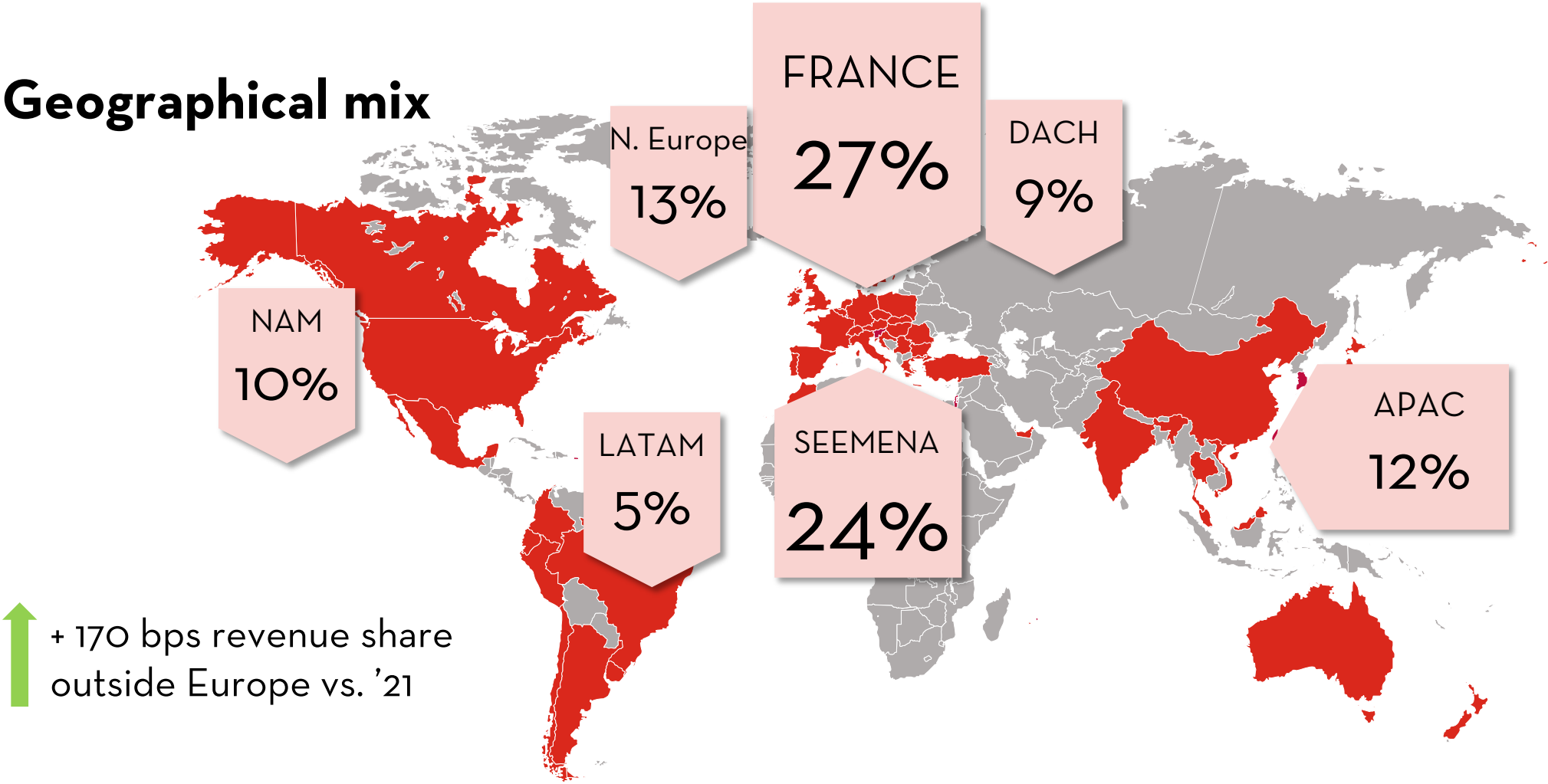
#2 player in workforce staffing globally

Adecco Solutions

Gross profit contribution



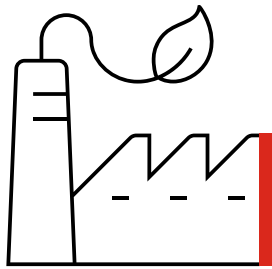
Geographical mix



Channel mix



Branch



On-site



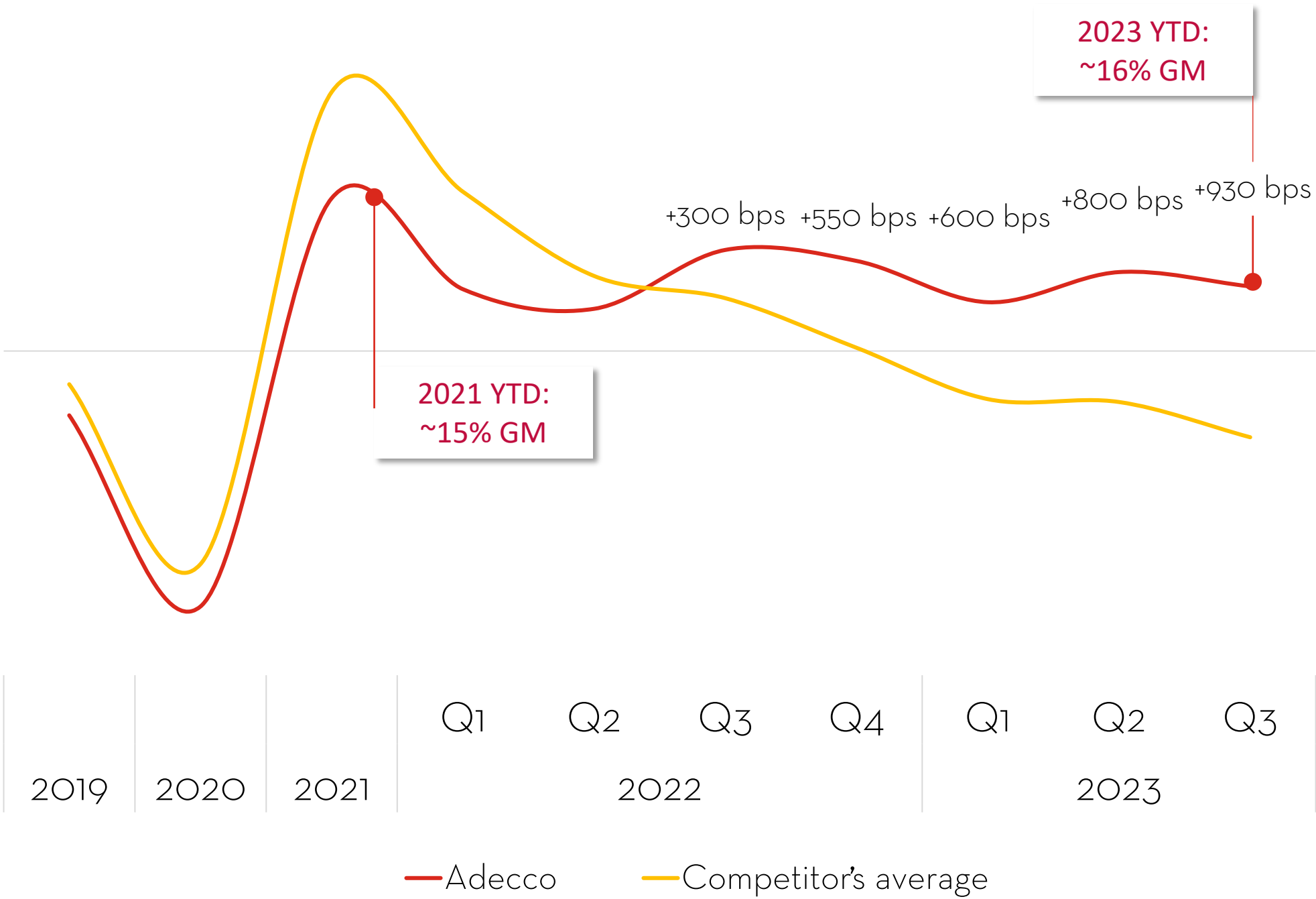
Career Centre



Digital

Delivering strong returns from recent investments

Revenue growth Adecco vs. Competitors



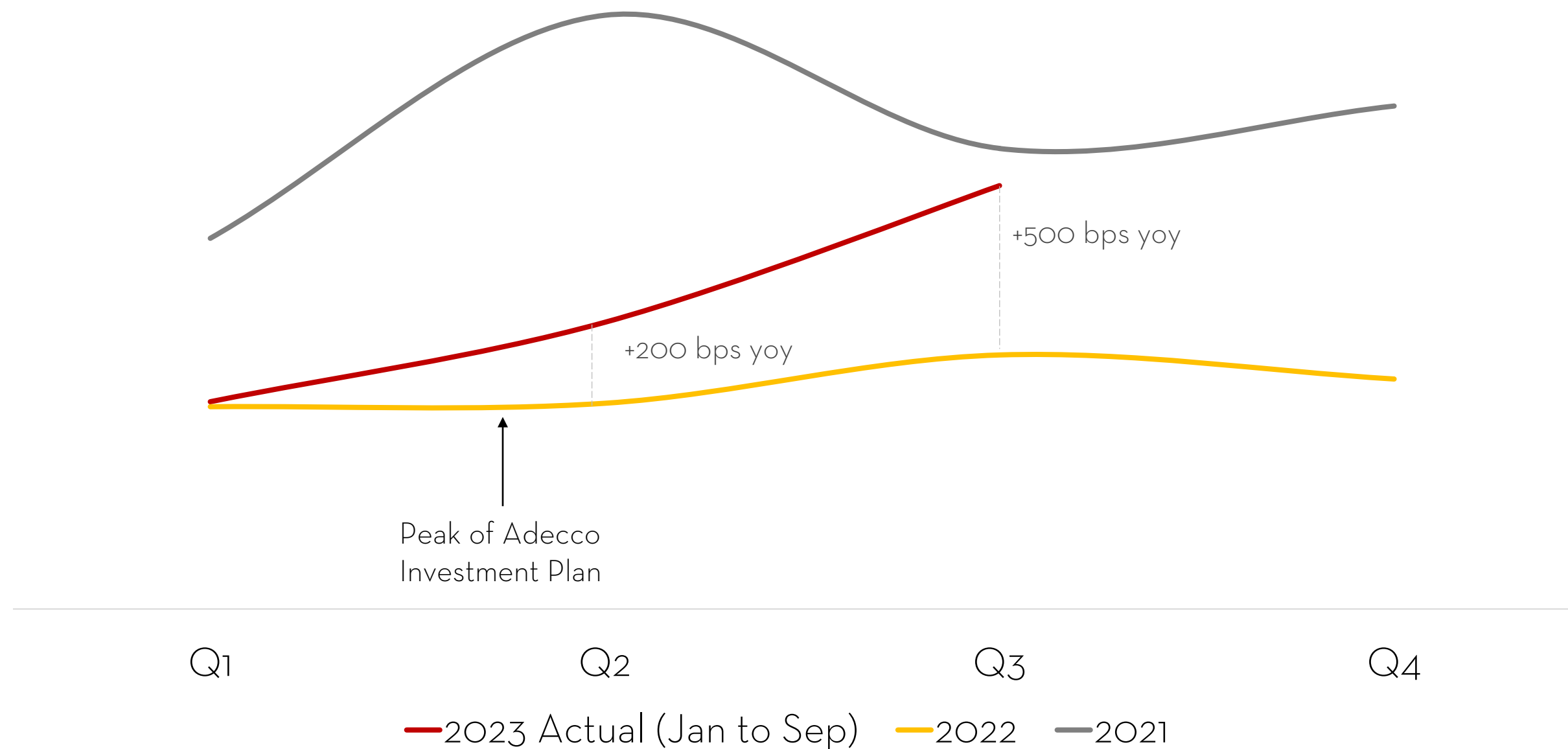
5 consecutive quarters outperforming competition

+930 bps ahead of competition in Q3 23

Slightly **higher gross margin** compared to 2021

Improving productivity with ambition to achieve higher levels of efficiency

Gross profit / Selling FTE



+5% Gross profit / Selling FTE,
Q3 23 yoy **above 2022 &
2021 levels**

Gross profit / FTE in Q3 23
**above 2021 & 2019
levels**

While increasing resilience through effective cost management

Savings contribution

Key levers

~50%

Removing span and layers across all functions, countries & regions

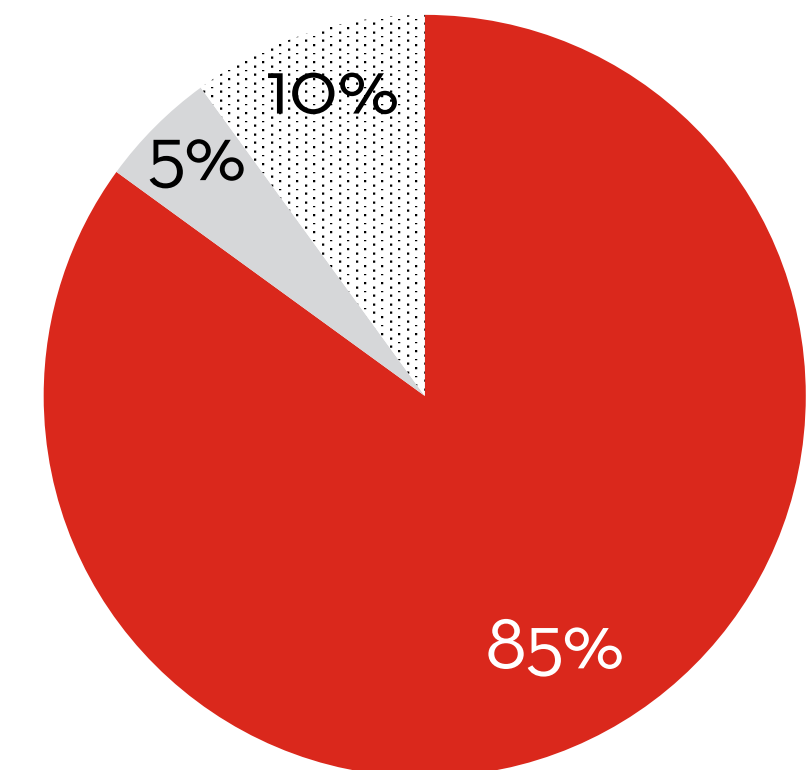
~25%

Simplifying processes by leveraging shared service centres, streamlining governance

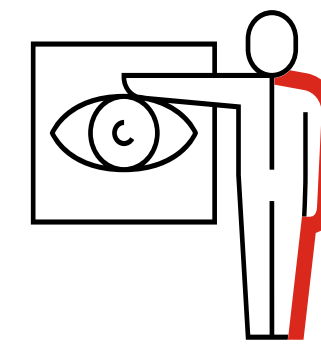
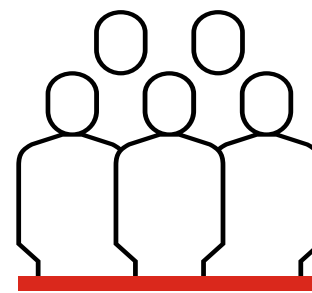
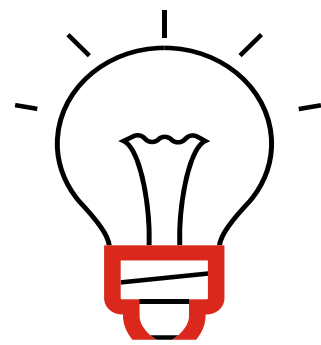
~25%

Optimising procurement and real estate spend (>60 projects)

90% of targeted savings secured or in-flight



Sustaining relentless execution focus and responsiveness to market dynamics



**Leverage
market insights**

**Simplify
Organisation
and Strategy**

**Simplify
performance
management**

Two-part strategy to sustain industry leadership

Leverage
market insights

Changing
customer
expectations

Technological
advancement



**RUN
the Business**

Focus on strong local
execution to grow
core business

**CHANGE
the Business**

Leverage scale with
global clients for
competitive advantage

RUN | Focus on strong local execution to grow core business

Leverage
market insights

Changing
customer
expectations

Technological
advancement



**RUN
the Business**

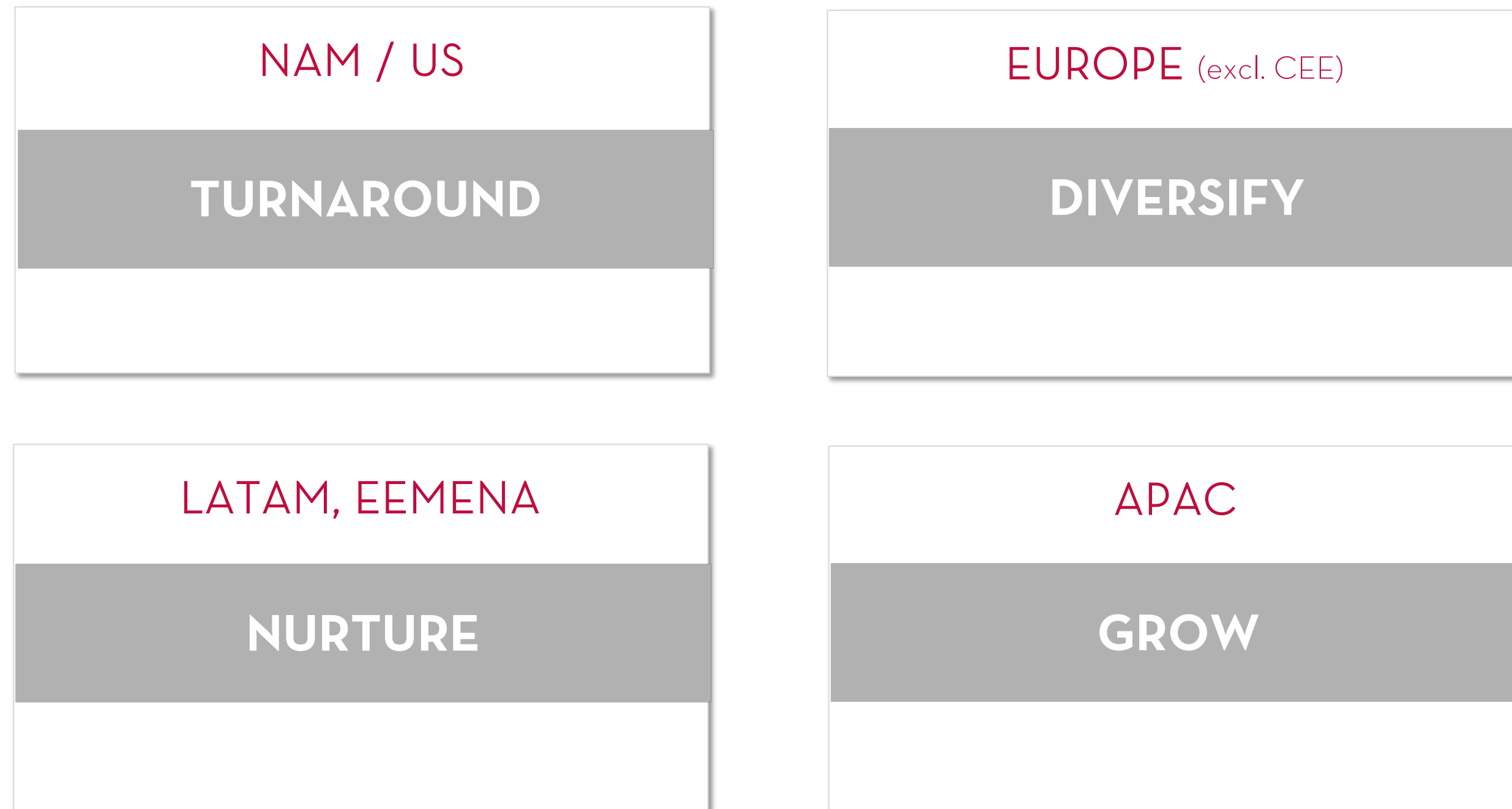
Country-led approach

Mix diversification

MSP expansion

US turnaround

RUN | Deploying a geographical portfolio approach to bolster profitable market share gains



Diversify case study: Italy

STRONG TRACK RECORD

+9% Revenue CAGR
2019-22

7.1% EBITA margin
Average 2019-22

FOCUS AREAS

Expand SME exposure and onsite development

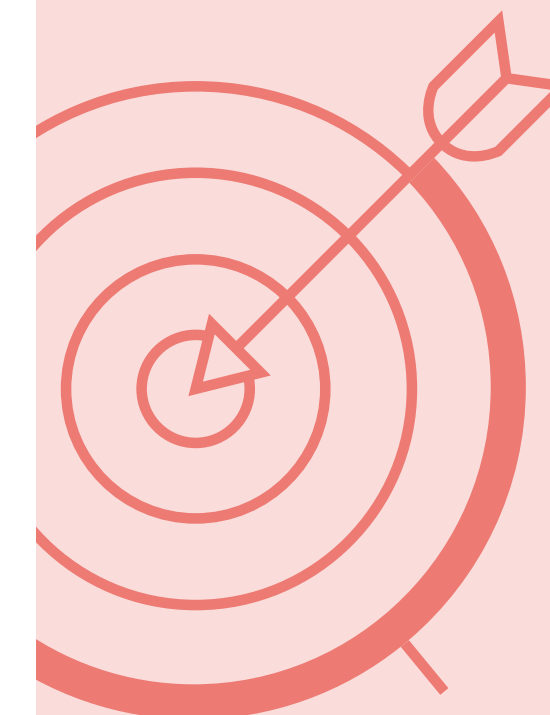
Tighten pricing discipline

Push on Perm, Outsourcing

Maximise digital and AI (e.g. business targeting, candidate platform)

NOTABLE WINS

Outsourcing partner for logistics site of a leading consumer goods company



Grow case study: Australia

CAPTURE POTENTIAL

+85% revenue growth Q3 23

0.9% market share (2022)

FOCUS AREAS

Focus on large clients

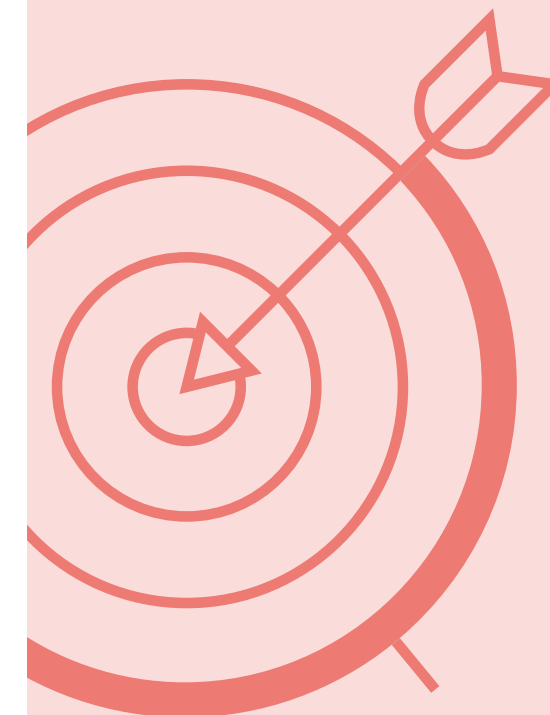
Expand solutions, especially
Outsourcing

Drive efficiencies through G&A
optimisation

NOTABLE WINS

**Multi-annual recruiting services
contract for the Department of
Defence**

**Flexible staffing for a local
retail giant**





Turnaround: US

Geno Cutolo, Head of Adecco NAM

More than two decades in staffing

First role with Adia in 1996

Came home to Adecco
one year ago this week

Former North American CEO of global competitor

Successful turnarounds

Doubled size of business

Record profitability

The journey to US market leadership

1

**Reset &
stabilise**

2

**Make incremental
progress**

3

**Sustained profitable
growth dynamic**

Three fundamentals to address



Org Structure



Ways of Working



Culture

Resetting our foundation

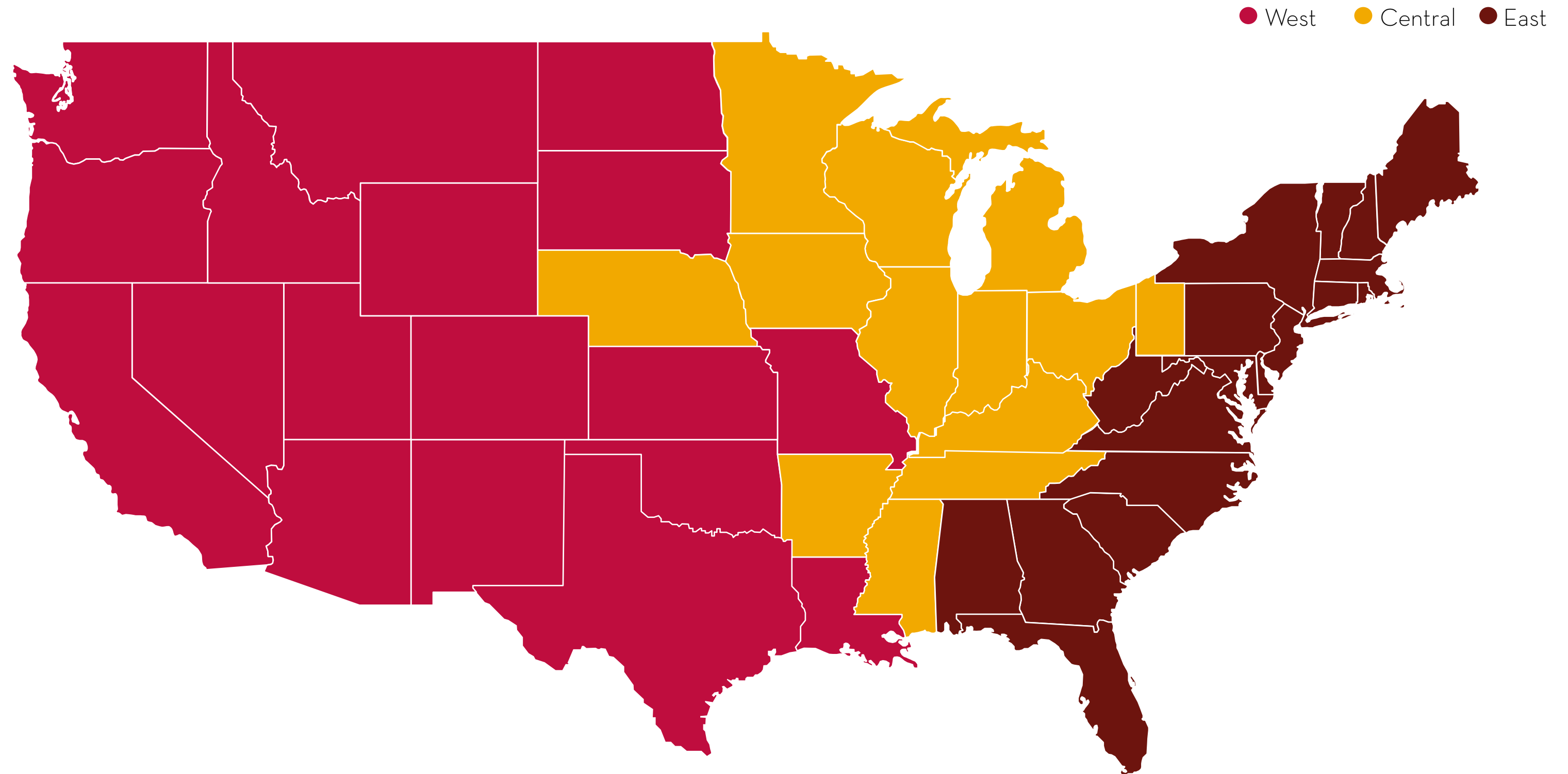


Org Structure



- Market-driven approach
- Retained industry expertise
- Decreased cost-to-serve

A clear and focused region-based structure



Resetting our foundation



Org Structure



- Market-driven approach
- Retained industry expertise
- Decreased cost-to-serve

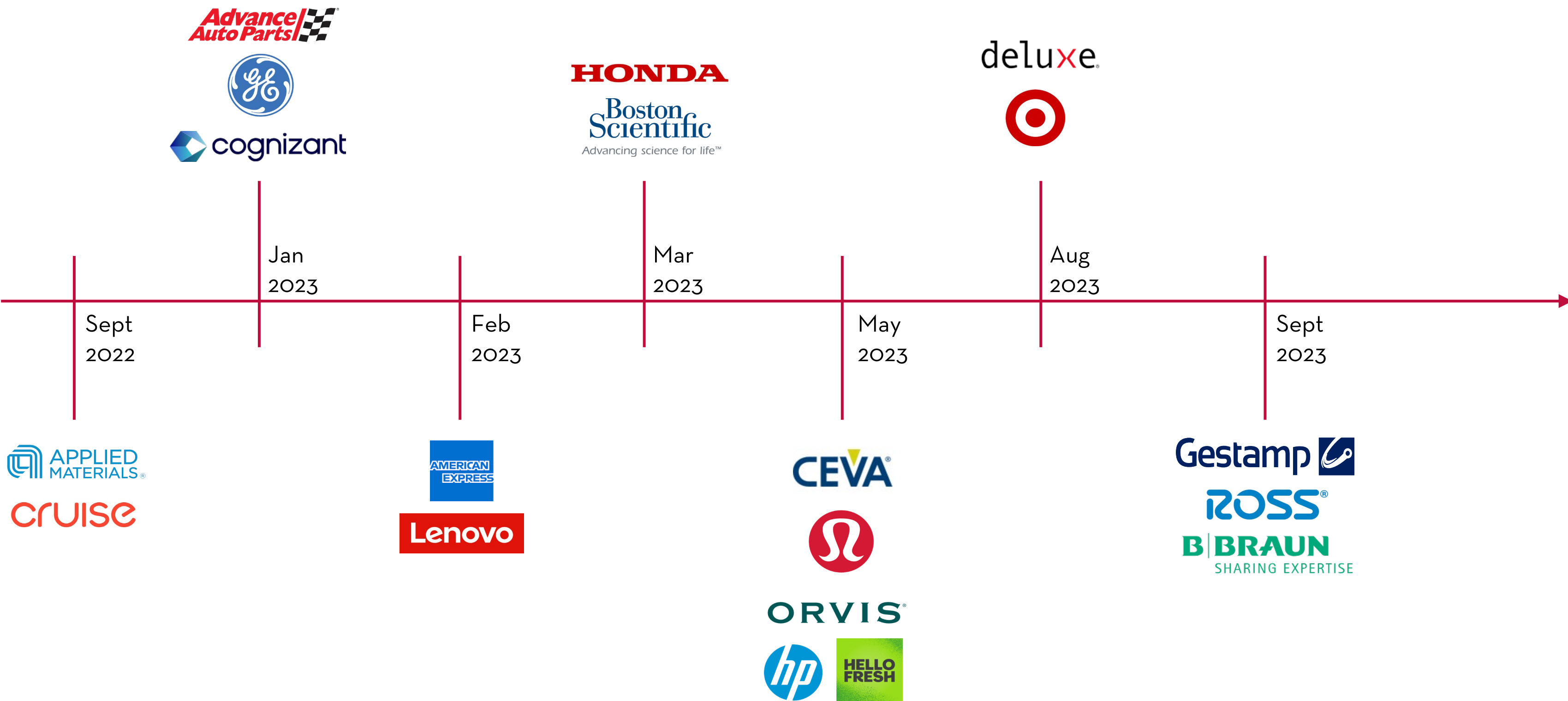


Ways of Working



- Sales and delivery collaboration incentivised
- Rebalanced channel mix
- Strengthened market resilience

Building resilience through diversification



Resetting our foundation



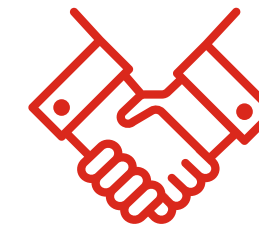
Org Structure

-
- 
- Market-driven approach
 - Retained industry expertise
 - Decreased cost-to-serve




Ways of Working

-
- 
- Sales and delivery collaboration incentivised
 - Rebalanced channel mix
 - Strengthened market resilience



Culture

-
- 
- Increased colleague engagement
 - Reduced voluntary turnover
 - Reinforced purpose-driven work

Leading indicators of stability



Org Structure



- \$30 mn SG&A reduction



Ways of Working



- GP/Selling FTE: +15% yoy
- Profitable Branches: +30% yoy
- Fill Rate: +36% yoy



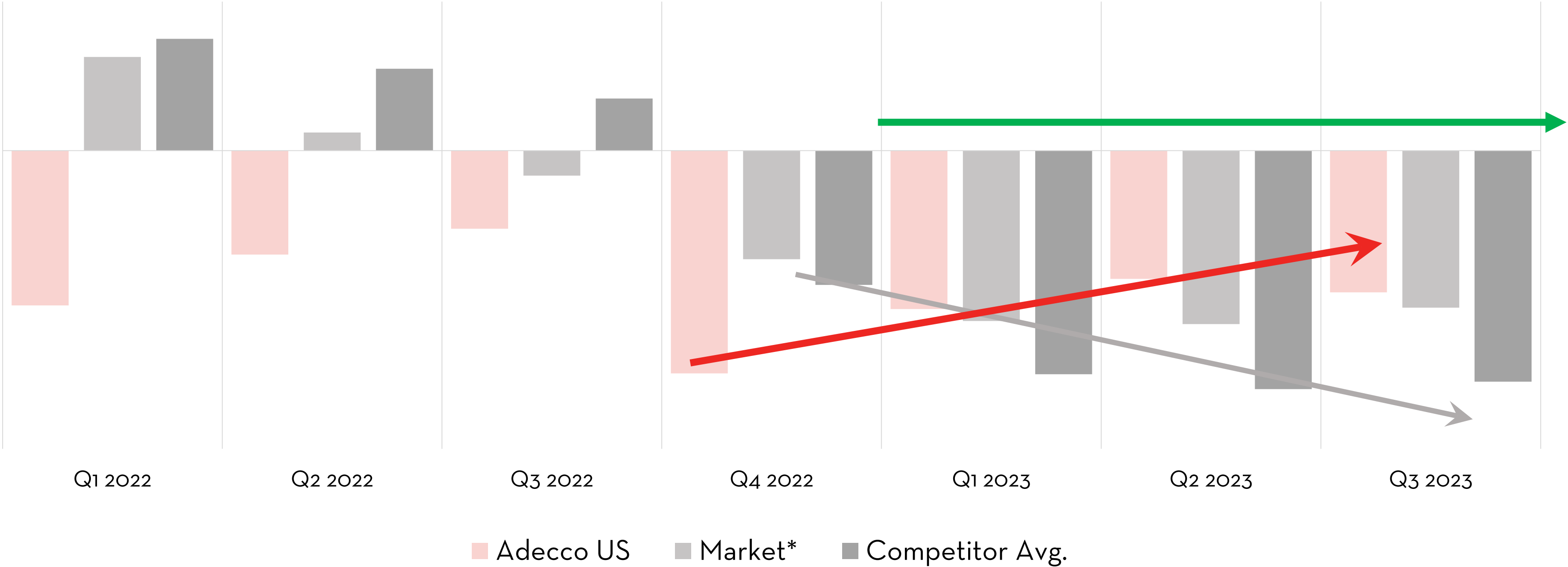
Culture



- Colleague Engagement: 8.5/10
- Voluntary Turnover: -33% yoy

Improving relative performance year-to-date

Adecco US revenue development vs. market and competition



Focusing on a few impactful levers to deliver turnaround

Branch &
On-site

Perm

MSP

Digital

G&A Savings

Culture

Ways of Working

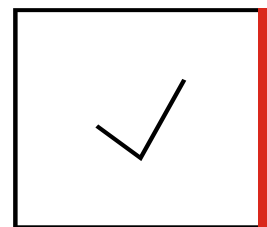
Org Structure

Achieving incremental profitable growth

KPI	2023	Ambition
Relative revenue growth	<ul style="list-style-type: none">Ahead of market and competition	<ul style="list-style-type: none">Stay ahead of competition
EBITA margin	<ul style="list-style-type: none">Breakeven	<ul style="list-style-type: none">Industry levels (3%-6%)
GP / Selling FTE	<ul style="list-style-type: none">+15% yoy	<ul style="list-style-type: none">2%-3% growth yoy in a supportive market
G&A as % of GP	<ul style="list-style-type: none">+115 bps improvement	<ul style="list-style-type: none">Sustained improvement
Associates working	<ul style="list-style-type: none">~35,000 / day	+++
Client Count	<ul style="list-style-type: none">~5,000	+++

1

**Reset &
stabilise**



2

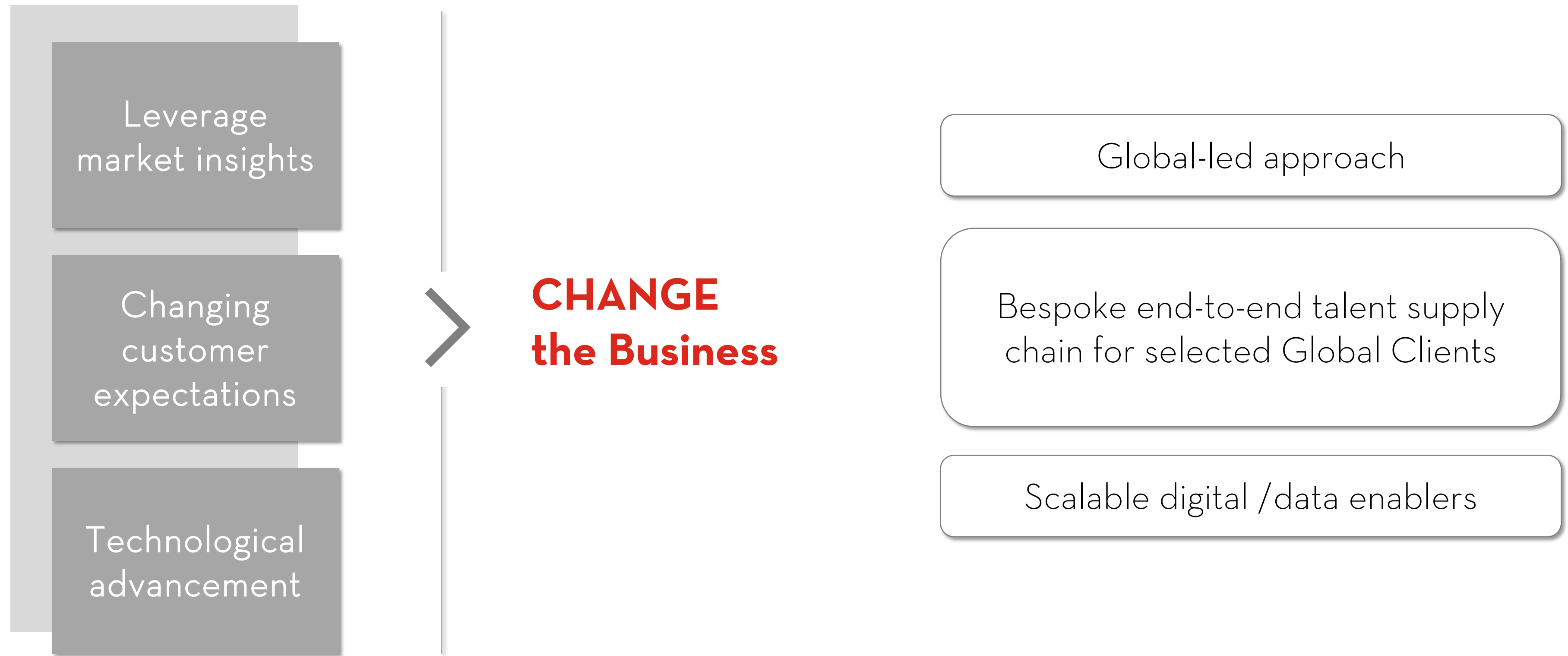
**Make incremental
progress**



3

**Sustained profitable
growth dynamic**

CHANGE | Leveraging scale with global clients for competitive advantage



CHANGE | We have built a highly effective end-to-end talent supply chain before

Example: Bespoke talent solution for Global Client

Key features

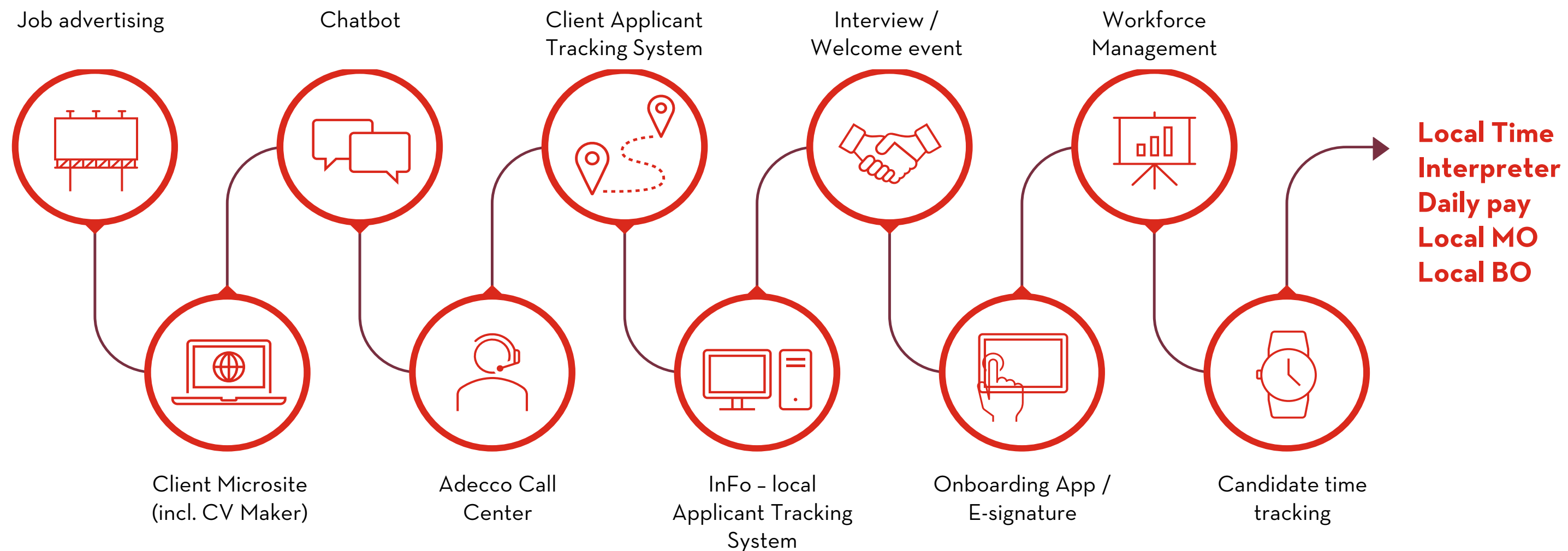
60,000
associates

12
countries

150
sites

>95%
fill rate

+50
NPS



CHANGE | By replicating this approach, we are tapping into a ~€10 bn market opportunity

1

**Client-specific talent
supply chain**

*Bespoke client
solutions (6 clients)*

2

**Strategic-client
talent supply chain**

*Duplication among
similar large clients
(60 clients)*

3

**Country talent
supply chain**

*Leveraging infrastructure
within countries*

€1 bn

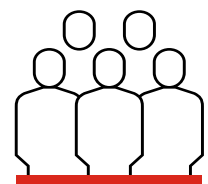
Addressable revenue

~€10 bn

CHANGE | Differentiating through an industry leading customer experience



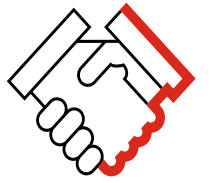
Ownership on
GBU level



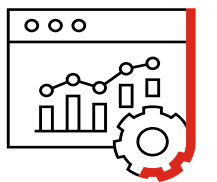
Fully dedicated
team



End-to-end talent supply
chain empowered
by data & digital



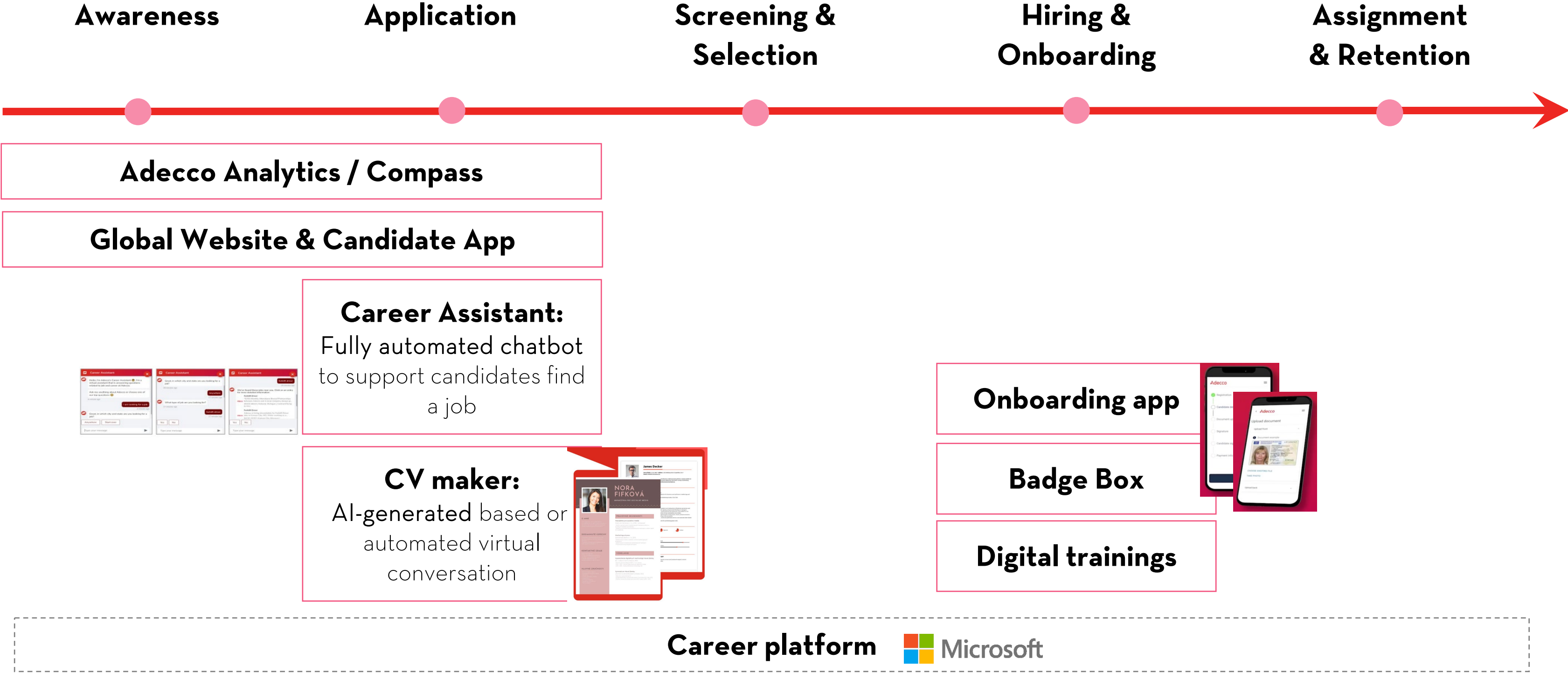
Global SLAs



**Building a competitive advantage to address
highly complex delivery challenges**

CHANGE | Leveraging digital capabilities to improve the candidate journey

Example: Simplified blue-collar candidate journey and selected digital supporting tools / platforms



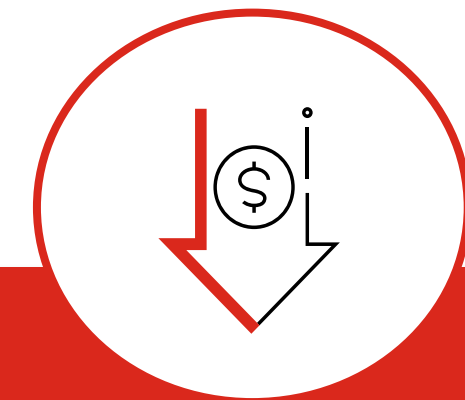
CHANGE | Leveraging digital capabilities to improve speed and cost to serve



86% revenue growth
since acquisition in
September 2021



70% of orders filled
within 3 hours

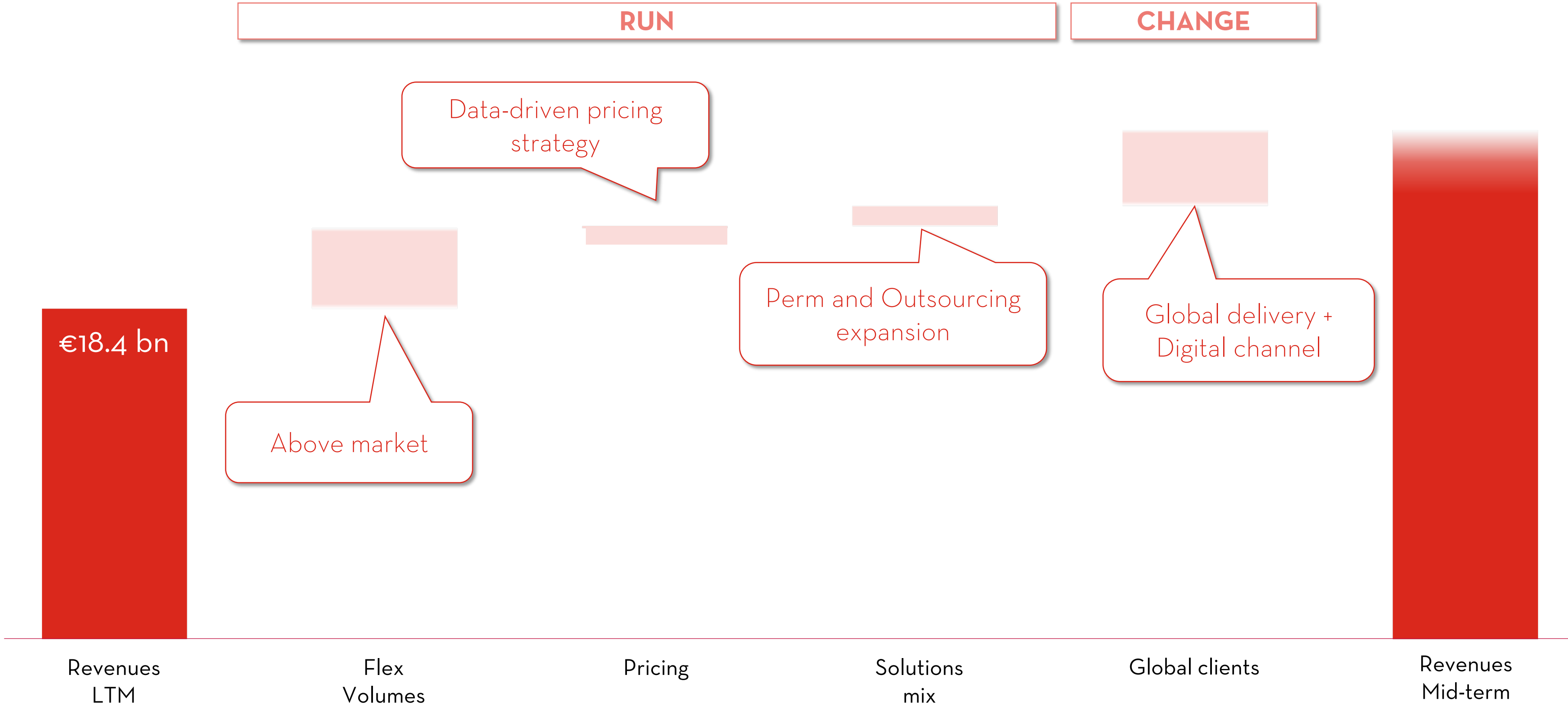


3x lower candidate
acquisition cost*

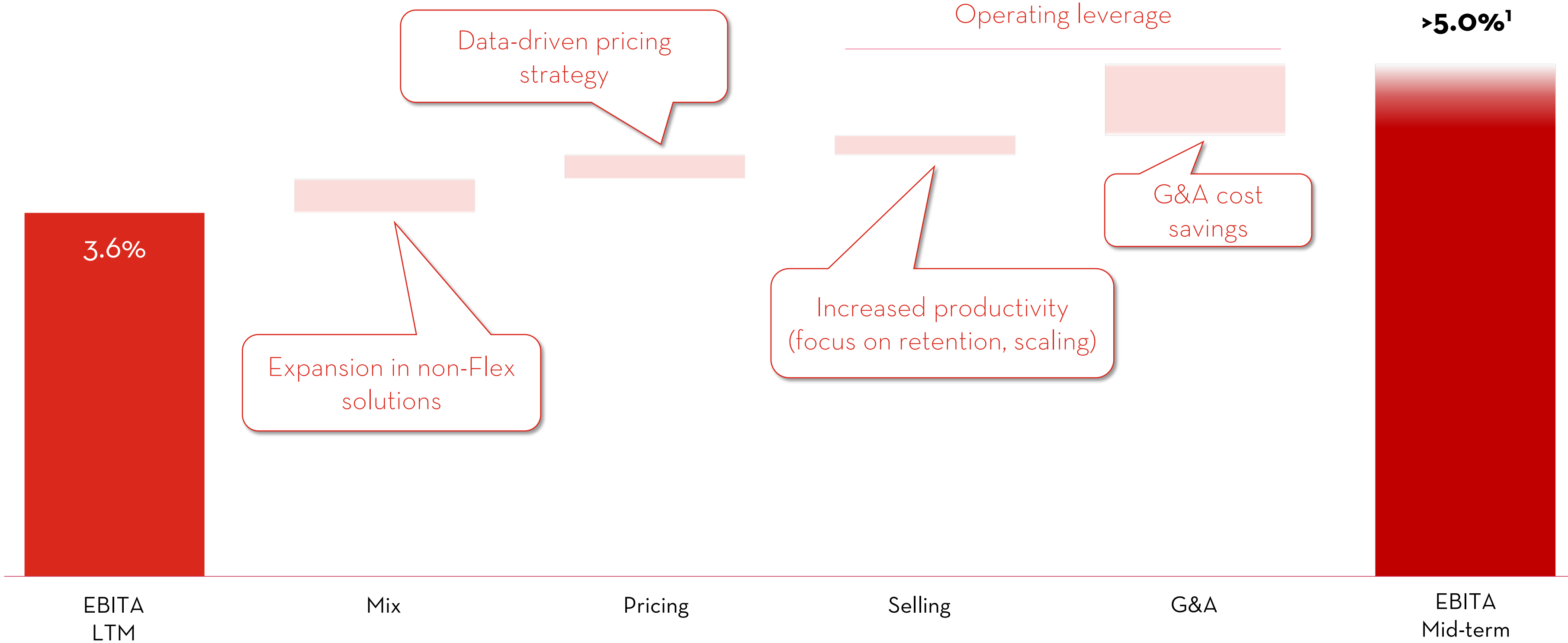
Fully digitised platform
from requisition, search & match
to contracting and timesheet

AI and data leveraged
for market prediction and
matching

Aiming to sustain industry leadership



Moving toward an >5% EBITA margin



¹Subject to economic conditions, reaching 6% at top of cycle

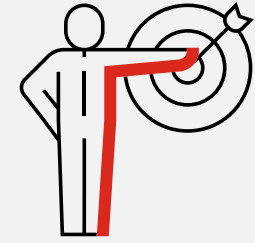
Clear commitment on must win metrics

KPI	Q3 23 results	Ambition (mid-term)
Relative revenue growth	<ul style="list-style-type: none">+930 bps ahead of competition	<ul style="list-style-type: none">Ahead of competition
EBITA margin (excl. one-offs)	<ul style="list-style-type: none">4.1%	<ul style="list-style-type: none">>5.0% (and 3-6% through-cycle)
Productivity	<ul style="list-style-type: none">+5% yoy	<ul style="list-style-type: none">2%-3% growth yoy in a supportive market
G&A as % of GP	<ul style="list-style-type: none">+60 bps improvement vs. Q2 23	<ul style="list-style-type: none">Back to pre-pandemic levels
Solutions GP share	<ul style="list-style-type: none">22.7%, +80 bps yoy	<ul style="list-style-type: none">~30%

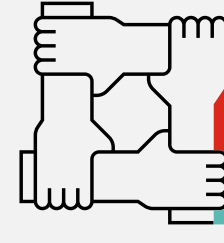
Key takeaways



Performance improvement over last 12 months, supported by structural changes



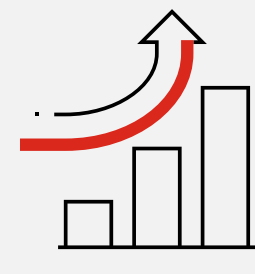
Geographical portfolio approach to drive market share gains, profitability



Traction on US turnaround plan



Leveraging scale with global clients, digital and data



Moving toward an >5% EBITA margin