



THE ADECCO GROUP

AD HOC ANNOUNCEMENT pursuant to Art. 53 Listing Rules of SIX Swiss Exchange
Group press release, Zurich, November 2, 2023

Q3 2023 RESULTS

Strong market share gains, improved profitability

- Revenues +3% yoy organic TDA¹; Adecco +4%, led by APAC, Southern Europe & EEMENA and LatAm; Akkodis consulting +8%, and LHH Career Transition +84%
- Further strong market share gains; Adecco's relative revenue growth +930 bps
- Healthy 20.8% gross margin, -10 bps lower yoy organically, reflecting firm pricing and current business mix
- Solid 4.0% EBITA margin excl. one-offs, up +40 bps yoy
- Group productivity +6% yoy, higher in all GBUs; FTEs -4% yoy
- SG&A excl. one-offs at 17.0% of revenues, improved 50 bps yoy; €24 million yoy reduction in G&A costs
- Upgraded end-23 G&A savings run-rate to €90 million (from €60 million at Q2 results)
- Operating income €184 million, +18% yoy
- Basic EPS €0.62; Adjusted EPS €0.85

Denis Machuel, Adecco Group CEO, commented:

“In a challenging macroeconomic environment, the Group delivered good growth and a stronger relative revenue performance, with a strengthened EBITA. Adecco gained share in every region, with margin expansion delivered through pricing discipline, productivity gains and good cost control. Adecco North America showed further positive signs of turnaround progress and achieved profitability. Akkodis continued to expand its consulting business, while actively managing the significant downturn in the tech staffing market. This, combined with productivity gains and delivery on synergies, resulted in improved profitability. LHH delivered a strong margin, with very good growth in both Career Transition and Ezra.

We are steadily improving our business as we execute methodically on our Simplify-Execute-Grow plan. Together with our leadership team, I am looking forward to sharing more on our plans to further strengthen the Adecco Group's performance at our upcoming Capital Markets Day.”

KEY FIGURES <i>EUR millions, unless otherwise stated</i>	Q3 23	Q3 22	CHANGE	
			Reported	Organic
Revenues	5,958	6,044	-1%	+3% ¹
Gross profit	1,242	1,267	-2%	+1%
EBITA excl. one-offs ²	235	215	+9%	+14%
Operating income	184	163	+13%	+18% ³
Net income / (loss) ⁴	103	108	-4%	
Basic EPS	0.62	0.65	-4%	
Adjusted EPS ²	0.85	0.90	-6%	
Gross profit margin	20.8%	21.0%	-20 bps	-10 bps
SG&A excl. one-offs ² as % of revenues	17.0%	17.5%	-50 bps	
EBITA margin excl. one-offs	4.0%	3.6%	+40 bps	
Cash flow from operating activities	+282	+110	+172	
Cash conversion ratio ²	85%	46%		
Net debt/EBITDA excl. one-offs ²	2.9x	2.8x		

Unless otherwise noted, all growth rates in this release refer to same period in prior year. ¹ On an organic and trading days adjusted basis. ² For further details on the use of non-GAAP measures in this release, please refer to the 2022 Annual Report. ³ In constant currency terms. ⁴ Attributable to Adecco Group shareholders.

Q3 FINANCIAL PERFORMANCE

REVENUES

Third quarter revenues of EUR 5,958 million were up 3 percent on an organic, TDA basis (up 2 percent organic, 1 percent lower reported). Currency translation had a net negative impact of approximately 300 basis points and working days a net negative impact of approximately 100 basis points.

At the Global Business Unit level, organically and TDA, Adecco revenues were up 4 percent (flat reported), Akkodis revenues were 3 percent lower (8 percent lower reported), and LHH revenues were 2 percent higher (4 percent lower reported).

By service line, growth was led by Career Transition, for whom revenues were up 87 percent organically (80 percent reported), while Outsourcing, Consulting & Other Services grew 6 percent (3 percent reported). Flexible Placement revenues were up 1 percent (2 percent lower reported), Permanent Placement revenues were 26 percent lower (28 percent lower reported), and Training, Up-skilling & Re-skilling services revenues were 9 percent lower (12 percent lower reported).

Q3 REVENUES (% CHANGE YEAR-ON-YEAR)

Group, by growth driver		Group, by Global Business Unit			Group, by Service Line		
			Reported	Organic, TDA		Reported	Organic
Organic, TDA	+3	Adecco	0	+4	Flexible Placement	-2	+1
TDA	-1	Akkodis	-8	-3	Permanent Placement	-28	-26
Currency	-3	LHH	-4	+2	Career Transition	+80	+87
M&A	0				Outsourcing, Consulting & Other Services	+3	+6
					Training, Up-skilling & Re-skilling	-12	-9
Group	-1	Group	-1	+3	Group	-1	+2

GROSS PROFIT

In the third quarter period, gross profit reached EUR 1,242 million, up 1 percent organically (2 percent lower reported). Gross margin, at 20.8 percent, was healthy, 10 basis points lower on an organic basis and 20 basis points lower on a reported basis, reflecting firm pricing discipline and current sector and services mix. Currency effects had a 10 basis points negative impact.

By service line, on an organic basis, margin expanded 100 basis points in Career Transition and 10 basis points in Outsourcing, Consulting & Other services. In Permanent Placement the margin was 70 basis points lower, in Flexible Placement 30 basis points lower, and in Training, Up-skilling & Re-skilling 20 basis points lower.

SELLING, GENERAL & ADMINISTRATIVE EXPENSES (SG&A)

SG&A excluding one-offs was EUR 1,010 million, 1 percent lower organically (5 percent reported), and 5 percent lower sequentially. As a percentage of revenues, SG&A excluding one-offs was at 17.0 percent, an improvement of 50 basis points, and 70 basis points sequentially.

Full-time Employees (“FTEs”) reduced 4 percent to 37,664, and 2 percent sequentially. Group productivity, in terms of gross profit per FTE, rose 6 percent, improving in all GBUs. On a sequential basis, Group productivity was 3 percent higher.

As part of its ongoing G&A savings plan, the Group delivered a €24 million reduction in G&A costs in the quarter relative to the prior year period.

EBITA

EBITA excluding one-offs was EUR 235 million, compared to EUR 215 million in the prior year period.

The EBITA margin excluding one-offs was 4.0 percent, up 40 basis points. Income from the FESCO JV was EUR 4 million this quarter, from EUR 6 million in the prior year period.

One-off costs were EUR 27 million, compared to EUR 23 million in the prior year period, reflecting restructuring charges from actions taken to secure targeted G&A savings and AKKA integration and related costs.

AMORTISATION OF INTANGIBLES

Amortisation of intangible assets was EUR 24 million in the quarter, from EUR 28 million in the prior year period.

OPERATING INCOME

The Group generated an operating income of EUR 184 million, 18 percent higher in constant currency terms, due to the aforementioned items.

NET INCOME AND EPS

Net income attributable to Adecco Group shareholders was EUR 103 million, compared to 108 million in the prior year period. The result reflects interest expense of EUR 17 million, compared to EUR 12 million in the prior year period, other income/expenses, net of negative EUR 5 million, compared to negative EUR 7 million in the prior year period, and net income attributable to noncontrolling interests of EUR 1 million, from EUR 2 million in the prior year period. Income taxes amounted to EUR 58 million, including EUR 14 million of non-cash items mainly related to true-ups on deferred tax assets in France and Germany.

Basic EPS was EUR 0.62, compared to the prior year period’s EUR 0.65. Adjusted EPS, which is the Group’s net income excluding a total EUR 40 million for amortisation of intangibles, one-off costs, and associated tax effects, divided by basic weighted-average shares outstanding, was EUR 0.85, compared to the prior year period’s EUR 0.90.

CASH FLOW AND NET DEBT

Cash flow from operating activities was EUR 282 million in the quarter, compared to EUR 110 million in the prior year period. Cash flow was positively impacted by the timing of working capital, with favourable payables and tax balances and supportive customer collections. DSO was 54 days, improved by one day year-on-year. The rolling last four quarters cash conversion ratio was 85 percent, up sequentially and a strong result during a period of growth and transformation.

Net debt was EUR 2,817 million at end Q3 23. The Net Debt to EBITDA ratio, excluding one-offs was 2.9x, below the 3.2x ratio of Q2 23. The Group reiterates its firm commitment to decrease leverage going forward.

As a reminder, the Adecco Group issued EUR 1,500 million of senior and subordinated debt in H2 2021 at attractive terms to finance AKKA’s acquisition. In addition, the Group has a solid financial structure, with fixed interest rates on 79 percent of its outstanding gross debts, no financial covenants on any of its outstanding debts, a well-balanced bond maturity profile and strong liquidity including an undrawn EUR 750 million revolving credit facility. In addition, the company has no bonds maturing until end 2024.

GLOBAL BUSINESS UNIT RESULTS

Unless otherwise noted, all growth rates in this section refer to the same period in the prior year, with revenues stated on an organic and trading days adjusted (TDA) basis, and EBITA or EBITA margins stated excluding one-offs.

ADECCO

	Revenues				EBITA margin excl. one-offs	
	Q3 23	Q3 22	CHANGE (% yoy)		Q3 23	CHANGE (bps, yoy)
			Reported	Organic, TDA		
Adecco	4,618	4,608	0	+4	4.1%	(10)
France	1,249	1,293	-3	-2	5.0%	+10
Northern Europe	595	623	-5	-1	2.0%	(130)
DACH	434	413	+5	+6	4.2%	(210)
Southern Europe & EEMENA	1,079	1,008	+7	+9	5.7%	+10
Americas	678	738	-8	+1	1.4%	+110
APAC	583	533	+9	+21	4.6%	0

2022 results restated due to the transfer of part of AKKA's US operations to Adecco Americas (Adecco US), effective Jan 1, 2023

Adecco delivered very strong relative revenue growth of +930 basis points in the period, taking market share versus key competitors across all regions and for the fifth consecutive quarter.

Revenues grew 4 percent in the third quarter. Revenue growth was strong in APAC and Southern Europe & EEMENA, and solid in DACH. Results from the Americas were robust, while revenues in Northern Europe and France were soft.

Flexible Placement revenues were 2 percent higher organically, underpinned by resilient volumes. Revenues were very strong in Outsourcing, up 12 percent organically. In Permanent Placement, revenues were 2 percent lower organically. On a sector basis, autos, public sector and logistics were strong, manufacturing was robust, while IT Tech was weak.

Gross margin was healthy if slightly below prior year levels, with good pricing discipline, underpinned by continued talent scarcity, outweighed by current sector and services mix.

The EBITA margin, at 4.1 percent, reflects gross margin developments, G&A savings and improved productivity. Gross profit per selling FTE, rose 5 percent, reaching 2021 levels, while Selling FTEs reduced 3 percent.

SEGMENT RESULTS

ADECCO FRANCE

- Revenues were 2 percent lower, reflecting a subdued market backdrop. On an end-market basis, construction, healthcare, and autos were strong, while IT Tech and retail were weak.
- The EBITA margin of 5.0 percent reflects lower volumes and positive timing impacts on social charges.

ADECCO NORTHERN EUROPE

- Revenues from UK & Ireland were up 1 percent, reflecting recent contract wins. Revenues were 10 percent lower in the Nordics, impacted by new construction regulations. In Benelux, revenues were flat. The region's growth outpaced the market. Strong growth in autos and public services was outweighed by challenging dynamics in IT Tech, financial services, and consulting.
- The EBITA margin of 2.0 percent mainly reflects lower volumes and adverse client mix, partly mitigated by solid pricing and right-sizing, including an approximately 10 percent reduction in headcount.

ADECCO DACH

- Revenues in Germany were up 10 percent, outperforming the market. Both Flexible Placement and Permanent Placement were strong. In Switzerland & Austria revenues were 1 percent lower, performing well against a tough market backdrop. Across the region, growth was generated mainly by autos, logistics and professional services.
- The EBITA margin of 4.2 percent mainly reflects current sector mix and headcount investments.

ADECCO SOUTHERN EUROPE & EEMENA

- Revenue growth was strong, with Italy up 7 percent, Iberia up 11 percent and EEMENA up 12 percent. All segments gained market share. Flexible Placement growth was strong while Permanent Placement was robust. In sector terms, growth was broad-based, led by logistics and autos.
- The EBITA margin of 5.7 percent mainly reflects current client mix, solid pricing and good cost discipline.

ADECCO AMERICAS

- Latin America revenues grew 23 percent, led by Argentina and Mexico. The region delivered good growth in Flexible Placement and strong growth in Outsourcing. Logistics, IT Tech and healthcare were strong.
- In North America, revenues were 8 percent lower, outperforming a challenging market. Autos and consumer goods were solid, while IT Tech and financial services were subdued.
- The EBITA margin improved 110 basis points to 1.4 percent. US operations returned to profitability, supported by right-sizing of headcount and other G&A savings.

ADECCO APAC

- Revenue growth was very strong across the region, with Japan up 13 percent, Asia up 9 percent, and India up 19 percent. In Australia & New Zealand, revenues were 73% higher, boosted by a significant new government contract. Both flexible placement and outsourcing activities were very strong. End-market growth was broad-based, with public sector and retail performing notably well.
- The EBITA margin of 4.6 percent was flat.

AKKODIS

EUR millions,
unless otherwise stated

	Revenues				EBITA margin excl. one-offs	
	Q3 23	Q3 22	CHANGE (% yoy)		Q3 23	CHANGE (bps, yoy)
			Reported	Organic, TDA		
Akkodis	897	974	-8	-3	6.2%	+50
North EMEA				0		
South EMEA				+8		
North America				-16		
Akkodis APAC				+4		

Akkodis 2022 results restated due to the transfer of part of AKKA's US operations to Adecco effective Jan 1, 2023

Akkodis' revenues were 3 percent lower (8 percent lower reported), challenged by a sharp reduction in tech sector activity. Tech staffing revenues were 19 percent lower organically, while consulting revenues continued to be strong, growing 8 percent organically.

By segment:

- North EMEA revenues were flat. Germany was 1 percent higher, despite ongoing talent scarcity. Data Respons was up 2 percent, reflecting a strong comparative.
- South EMEA revenues were up 8 percent. Revenues in France were up 9 percent, led by aerospace.
- North America revenues were 16 percent lower, impacted by a sharp downturn in staffing activity for tech talent, particularly in permanent placement. Consulting was strong, with revenues up 24 percent. Relative to competitors, business performance was solid.
- APAC revenues rose 4 percent. Strong growth in Japan, where revenues rose 9 percent, was partly offset by revenues in Australia, down 7 percent, reflecting headwinds in tech staffing markets.

Akkodis' EBITA margin expanded 50 basis points, reflecting strong synergy delivery and agile management of staffing activities, with North America delivering a 55 percent recovery ratio in the quarter. The GBU's productivity, in terms of gross profit per FTE, rose 3 percent.

Total synergies secured for 2023, in EBITA terms, are projected at approximately EUR 59 million, which compares favourably to targeted in-year synergies of EUR 50-55 million.

LHH

<i>EUR millions, unless otherwise stated</i>	Revenues				EBITA margin excl. one-offs	
	Q3 23	Q3 22	CHANGE (% yoy)		Q3 23	CHANGE (bps, yoy)
			Reported	Organic, TDA		
LHH	443	462	-4	+2	8.0%	+430
Recruitment Solutions				-18		
Career Transition & Mobility				+84		
Learning & Development				-21		
Pontoon & Other				-1		

Revenues in LHH were 2 percent higher (4 percent lower reported) in the third quarter. By segment:

- Recruitment Solutions revenues were 18 percent lower, reflecting subdued market activity, particularly in the US and UK, and across both permanent and flexible professional placement.
- Performance in Career Transition & Mobility was excellent. Revenues rose 84 percent, led by the US. The segment continued to win new clients world-wide, particularly among SMEs. Its pipeline is solid.
- Learning & Development revenues were 21 percent lower, with General Assembly and Talent Development challenged by continued headwinds in their end-markets. Ezra performed well, with revenues up 34 percent. Its pipeline is strong.
- In Pontoon & Other, revenues in Pontoon were 4 percent higher, while revenues in Hired were subdued. Both units were challenged by the tech sector downturn.

The EBITA margin, up 430 basis points, benefited from segment mix, mainly higher volumes in Career Transition & Mobility, and firm cost discipline. In Recruitment Solutions, management is strengthening operational discipline while protecting capacity in order to capture a market recovery.

Outlook

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, while recognising elevated geopolitical and macroeconomic pressures. It expects Q4's gross margin and SG&A expenses as a percentage of revenues to be around Q3 23 levels.

More information

The Q3 2023 results press release is available on the Investor Relations [website](#). The Q3 2023 results presentation will be available at 09:00 a.m. CET. A live webcast for analysts and investors is scheduled today, November 2, starting at 09:30 a.m. CET (08:30 a.m. GMT). The webcast can be followed via the Investor Relations section of the Group's [website](#).

Questions from analysts and investors can be made by telephone: UK/Global +44 (0) 20 7107 0613; USA +1 (1) 631 570 5613; Switzerland +41 (0) 58 310 5000. Once joined via telephone, please press * and 1 to enter the queue. Please [register](#) at least 10 minutes prior to the start of the presentation. A replay will be made available after the event and can be accessed at any time on our [website](#).

Financial calendar

- Capital Markets Day 7 November 2023
- Q4 2023 results 29 February 2024

ABOUT THE ADECCO GROUP

The Adecco Group is the world's leading talent company. Our purpose is making the future work for everyone. Through our three global business units - Adecco, Akkodis and LHH - across 60 countries, we enable sustainable and lifelong employability for individuals, deliver digital and engineering solutions to power the Smart Industry transformation and empower organisations to optimise their workforces. The Adecco Group leads by example and is committed to an inclusive culture, fostering sustainable employability, and supporting resilient economies and communities. The Adecco Group AG is headquartered in Zurich, Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN).

Important notice about forward-looking information

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 of 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.

Zurich, November 2, 2023

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Revenues by segment

Revenues by segment EUR millions	Q3		Variance % 23 vs 22				% of revenues Q3 2023	9M		Variance % 23 vs 22				% of revenues 9M 2023
	2023	2022	EUR	Constant currency	Organic	Organic TDA		2023	2022	EUR	Constant currency	Organic	Organic TDA	
Adecco France	1,249	1,293	-3%	-3%	-3%	-2%	21%	3,698	3,691	0%	0%	0%	0%	21%
Adecco Northern Europe	595	623	-5%	-2%	-2%	-1%	10%	1,765	1,824	-3%	0%	0%	0%	10%
Adecco DACH	434	413	5%	4%	4%	6%	7%	1,245	1,153	8%	7%	7%	8%	7%
Adecco Southern Europe & EEMENA	1,079	1,008	7%	8%	8%	9%	18%	3,225	3,012	7%	7%	7%	7%	18%
Adecco Americas ¹⁾	678	738	-8%	-1%	-1%	1%	12%	2,036	2,086	-2%	1%	0%	0%	11%
Adecco APAC	583	533	9%	21%	21%	21%	10%	1,700	1,596	7%	14%	14%	14%	10%
Adecco	4,618	4,608	0%	3%	3%	4%	78%	13,669	13,362	2%	4%	4%	4%	77%
Akkodis ¹⁾	897	974	-8%	-4%	-4%	-3%	15%	2,805	2,666	5%	7%	0%	0%	15%
LHH	443	462	-4%	0%	0%	2%	7%	1,374	1,400	-2%	-1%	-1%	0%	8%
Adecco Group	5,958	6,044	-1%	2%	2%	3%	100%	17,848	17,428	2%	4%	3%	3%	100%

1) 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.

Revenues by service line

Revenues by service line EUR millions	Q3		Variance % 23 vs 22			9M		Variance % 23 vs 22		
	2023	2022	EUR	Constant currency	Organic	2023	2022	EUR	Constant currency	Organic
Flexible Placement	4,530	4,633	-2%	1%	1%	13,450	13,399	0%	2%	2%
Permanent Placement	141	197	-28%	-26%	-26%	528	603	-12%	-11%	-11%
Career Transition	125	70	80%	87%	87%	371	206	80%	82%	82%
Outsourcing, Consulting & Other Services	1,086	1,057	3%	6%	6%	3,243	2,953	10%	12%	5%
Training, Up-skilling & Re-skilling	76	87	-12%	-9%	-9%	256	267	-4%	-3%	-3%
Adecco Group	5,958	6,044	-1%	2%	2%	17,848	17,428	2%	4%	3%

EBITA¹⁾ and EBITA margin excluding one-offs by segment

EBITA	Q3		Variance % 23 vs 22		% of EBITA ²⁾	9M		Variance % 23 vs 22		% of EBITA ²⁾
	2023	2022	EUR	Constant currency		2023	2022	EUR	Constant currency	
EUR millions					Q3 2023					9M 2023
Adecco France	62	63	-3%	-3%	22%	160	161	-1%	-1%	21%
Adecco Northern Europe	12	21	-42%	-41%	4%	31	43	-28%	-25%	4%
Adecco DACH	18	26	-29%	-30%	6%	26	40	-37%	-37%	3%
Adecco Southern Europe & EEMENA	61	56	8%	9%	22%	182	165	10%	11%	24%
Adecco Americas ³⁾	9	2	332%	839%	3%	16	16	-1%	22%	2%
Adecco APAC	27	25	10%	20%	10%	90	89	1%	7%	12%
Adecco	189	193	-2%	0%	67%	505	514	-2%	0%	66%
Akkodis³⁾	56	56	1%	5%	20%	152	168	-9%	-7%	20%
LHH	35	18	105%	118%	13%	103	83	25%	25%	14%
Corporate	(45)	(52)	-11%	-12%		(157)	(160)	-1%	-4%	
Adecco Group	235	215	9%	14%	100%	603	605	0%	3%	100%

EBITA margin	Q3		Variance bps	9M		Variance bps
	2023	2022		2023	2022	
Adecco France	5.0%	4.9%	10	4.3%	4.4%	(10)
Adecco Northern Europe	2.0%	3.3%	(130)	1.7%	2.3%	(60)
Adecco DACH	4.2%	6.3%	(210)	2.1%	3.5%	(140)
Adecco Southern Europe & EEMENA	5.7%	5.6%	10	5.7%	5.5%	20
Adecco Americas ³⁾	1.4%	0.3%	110	0.8%	0.8%	-
Adecco APAC	4.6%	4.6%	-	5.3%	5.5%	(20)
Adecco	4.1%	4.2%	(10)	3.7%	3.9%	(20)
Akkodis³⁾	6.2%	5.7%	50	5.4%	6.3%	(90)
LHH	8.0%	3.7%	430	7.5%	5.9%	160
Adecco Group	4.0%	3.6%	40	3.4%	3.5%	(10)

1) EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

2) % of EBITA before Corporate

3) 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.

EBITA¹⁾ and EBITA margin by segment

EBITA EUR millions	Q3		Variance % 23 vs 22		% of EBITA ²⁾ Q3 2023	9M		Variance % 23 vs 22		% of EBITA ²⁾ 9M 2023
	2023	2022	EUR	Constant currency		2023	2022	EUR	Constant currency	
Adecco France	60	62	-5%	-5%	23%	157	160	-2%	-2%	23%
Adecco Northern Europe	10	20	-49%	-48%	4%	26	42	-38%	-36%	4%
Adecco DACH	18	26	-30%	-31%	7%	25	47	-47%	-48%	3%
Adecco Southern Europe & EEMENA	59	56	6%	6%	23%	178	165	8%	8%	26%
Adecco Americas ³⁾	6	-	n.m.	-434%	2%	4	13	-69%	-59%	1%
Adecco APAC	27	25	9%	19%	11%	89	89	0%	6%	12%
Adecco	180	189	-5%	-3%	70%	479	516	-7%	-5%	69%
Akkodis³⁾	45	52	-12%	-8%	18%	125	162	-22%	-20%	18%
LHH	32	15	115%	131%	12%	87	60	45%	45%	13%
Corporate	(49)	(64)	-23%	-24%		(166)	(216)	-23%	-25%	
Adecco Group	208	192	9%	13%	100%	525	522	1%	5%	100%

EBITA margin	Q3		Variance bps
	2023	2022	
Adecco France	4.8%	4.9%	(10)
Adecco Northern Europe	1.7%	3.3%	(160)
Adecco DACH	4.2%	6.3%	(210)
Adecco Southern Europe & EEMENA	5.5%	5.6%	(10)
Adecco Americas ³⁾	0.8%	-0.1%	90
Adecco APAC	4.5%	4.6%	(10)
Adecco	3.9%	4.1%	(20)
Akkodis³⁾	5.1%	5.3%	(20)
LHH	7.1%	3.2%	390
Adecco Group	3.5%	3.2%	30

EBITA margin	9M		Variance bps
	2023	2022	
Adecco France	4.2%	4.3%	(10)
Adecco Northern Europe	1.5%	2.3%	(80)
Adecco DACH	2.0%	4.1%	(210)
Adecco Southern Europe & EEMENA	5.5%	5.5%	-
Adecco Americas ³⁾	0.2%	0.6%	(40)
Adecco APAC	5.2%	5.5%	(30)
Adecco	3.5%	3.9%	(40)
Akkodis³⁾	4.5%	6.1%	(160)
LHH	6.3%	4.3%	200
Adecco Group	2.9%	3.0%	(10)

1) EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

2) % of EBITA before Corporate

3) 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.

Reconciliation of EBITA to EBITA excluding one-offs

EBITA EUR millions	EBITA excluding one-offs		One-offs		EBITA		EBITA excluding one-offs		One-offs		EBITA	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022
Adecco France	62	63	(2)	(1)	60	62	160	161	(3)	(1)	157	160
Adecco Northern Europe	12	21	(2)	(1)	10	20	31	43	(5)	(1)	26	42
Adecco DACH ¹⁾	18	26	-	-	18	26	26	40	(1)	7	25	47
Adecco Southern Europe & EEMENA	61	56	(2)	-	59	56	182	165	(4)	-	178	165
Adecco Americas ²⁾	9	2	(3)	(2)	6	-	16	16	(12)	(3)	4	13
Adecco APAC	27	25	-	-	27	25	90	89	(1)	-	89	89
Adecco	189	193	(9)	(4)	180	189	505	514	(26)	2	479	516
Akkodis³⁾	56	56	(11)	(4)	45	52	152	168	(27)	(6)	125	162
LHH	35	18	(3)	(3)	32	15	103	83	(16)	(23)	87	60
Corporate	(45)	(52)	(4)	(12)	(49)	(64)	(157)	(160)	(9)	(56)	(166)	(216)
Adecco Group	235	215	(27)	(23)	208	192	603	605	(78)	(83)	525	522

1) 9M 2022 one-offs in Adecco DACH include the release of restructuring accruals in Germany, driven by lower-than-expected severance costs.

2) 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.

Consolidated statements of operations

EUR millions except share and per share information	Q3		Variance %		YTD		Variance %	
	2023	2022	EUR	Constant currency	2023	2022	EUR	Constant currency
Revenues	5,958	6,044	-1%	2%	17,848	17,428	2%	4%
Direct costs of services	(4,716)	(4,777)			(14,112)	(13,756)		
Gross profit	1,242	1,267	-2%	1%	3,736	3,672	2%	4%
Selling, general, and administrative expenses	(1,038)	(1,082)	-4%	-1%	(3,236)	(3,171)	2%	3%
Proportionate net income of equity method investment FESCO Adecco	4	7	-36%	-33%	25	21	19%	19%
EBITA¹⁾	208	192	9%	13%	525	522	1%	5%
Amortisation of intangible assets	(24)	(28)			(80)	(88)		
Operating income	184	164	13%	18%	445	434	3%	8%
Interest expense	(17)	(12)			(54)	(34)		
Other income/(expenses), net	(5)	(7)			(15)	(26)		
Income before income taxes	162	145	12%		376	374	1%	
Provision for income taxes	(58)	(35)			(117)	(94)		
Net income/(loss)	104	110	-5%		259	280	-8%	
Net income attributable to noncontrolling interests	(1)	(2)			(2)	(3)		
Net income/(loss) attributable to Adecco Group shareholders	103	108	-4%		257	277	-7%	
Basic earnings per share²⁾	0.62	0.65	-4%		1.54	1.66	-8%	
Diluted earnings per share³⁾	0.62	0.65	-5%		1.53	1.66	-8%	
<i>Gross margin</i>	<i>20.8%</i>	<i>21.0%</i>			<i>20.9%</i>	<i>21.1%</i>		
<i>SG&A as a percentage of revenues</i>	<i>17.4%</i>	<i>17.9%</i>			<i>18.1%</i>	<i>18.2%</i>		
<i>EBITA margin</i>	<i>3.5%</i>	<i>3.2%</i>			<i>2.9%</i>	<i>3.0%</i>		
<i>Operating income margin</i>	<i>3.1%</i>	<i>2.7%</i>			<i>2.5%</i>	<i>2.5%</i>		
<i>Net income/(loss) margin attributable to Adecco Group shareholders</i>	<i>1.7%</i>	<i>1.8%</i>			<i>1.4%</i>	<i>1.6%</i>		

1) EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

2) Basic weighted-average shares were 167,517,202 in Q3 2023 and 167,387,209 in 9M 2023 (167,094,941 in Q3 2022 and 166,726,887 in 9M 2022).

3) Diluted weighted-average shares were 168,157,269 in Q3 2023 and 167,933,933 in 9M 2023 (167,200,659 in Q3 2022 and 166,981,909 in 9M 2022).

Reconciliation for Adjusted EPS¹⁾

EUR millions except share and per share information	Q3			9M		
	2023	2022	Variance % EUR	2023	2022	Variance % EUR
Net income attributable to Adecco Group shareholders	103	108	-4%	257	277	-7%
Amortisation and impairment of goodwill and intangible assets	24	28		80	88	
One-offs in EBITA	27	23		78	84	
One-offs in Other income/(expenses), net	1	2		(2)	5	
Tax effects, other exceptional tax items	(12)	(11)		(38)	(36)	
Adjusted Net income attributable to Adecco Group shareholders²⁾	143	150	-5%	375	418	-10%
Basic earnings per share³⁾	0.62	0.65	-4%	1.54	1.66	-8%
Adjusted earnings per share^{1), 3)}	0.85	0.90	-6%	2.24	2.50	-10%

1) Adjusted EPS is a non-US GAAP measure and refers to Net income attributable to Adecco Group shareholders before amortisation and impairment of goodwill and intangible assets, excluding one-off costs and exceptional tax items, divided by basic weighted-average shares outstanding.

2) Adjusted Net income attributable to Adecco Group shareholders is a non-US GAAP measure and refers to Net income attributable to Adecco Group shareholders before amortisation and impairment of goodwill and intangible assets, excluding one-off costs and exceptional tax items.

3) Basic weighted-average shares were 167,517,202 in Q3 2023 and 167,387,209 in 9M 2023 (167,094,941 in Q3 2022 and 166,726,887 in 9M 2022).

Consolidated balance sheets

EUR millions	30 Sep 2023	31 December 2022
Assets		
Current assets:		
- Cash and cash equivalents	367	782
- Trade accounts receivable, net	4,692	4,758
- Other current assets	544	584
Total current assets	5,603	6,124
Property, equipment, and leasehold improvements, net	585	575
Operating lease right-of-use assets	439	402
Equity method investments	196	177
Other assets	751	768
Intangible assets, net	953	1,029
Goodwill	4,170	4,181
Total assets	12,697	13,256
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
- Accounts payable and accrued expenses	4,619	4,884
- Current operating lease liabilities	194	176
- Short-term debt and current maturities of long-term debt	77	138
Total current liabilities	4,890	5,198
Operating lease liabilities	298	287
Long-term debt, less current maturities	3,107	3,099
Other liabilities	742	779
Total liabilities	9,037	9,363
Shareholders' equity		
Adecco Group shareholders' equity:		
- Common shares	11	11
- Additional paid-in capital	553	669
- Treasury shares, at cost	(39)	(58)
- Retained earnings	3,330	3,412
- Accumulated other comprehensive income/(loss), net	(206)	(153)
Total Adecco Group shareholders' equity	3,649	3,881
Noncontrolling interests	11	12
Total shareholders' equity	3,660	3,893
Total liabilities and shareholders' equity	12,697	13,256

Consolidated statements of cash flows

EUR millions	Q3		9M	
	2023	2022	2023	2022
Cash flows from operating activities				
Net income	104	110	259	280
Adjustments to reconcile net income to cash flows from operating activities:				
- Depreciation and amortisation	61	67	193	191
- Other charges	12	10	29	(16)
Changes in operating assets and liabilities, net of acquisitions and divestitures:				
- Trade accounts receivable	64	50	(4)	(273)
- Accounts payable and accrued expenses	12	(79)	(168)	(166)
- Other assets and liabilities	29	(48)	(63)	68
Cash flows from operating activities	282	110	246	84
Cash flows from investing activities				
Capital expenditures	(33)	(61)	(134)	(149)
Acquisition of AKKA, net of cash and restricted cash acquired				(1,249)
Cash settlements on derivative instruments	(2)	(18)	(40)	24
Other acquisition, divestiture and investing activities, net	1	(6)		18
Cash flows used in investing activities	(34)	(85)	(174)	(1,356)
Cash flows from financing activities				
Net decrease in short-term debt	(248)	(88)	(76)	(270)
Repayment of long-term debt	(2)		(4)	(73)
Dividends paid to shareholders			(422)	(409)
Purchase of treasury shares		(5)		(5)
Other financing activities, net	(1)	(4)	(6)	(39)
Cash flows used in financing activities	(251)	(97)	(508)	(1,454)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	19	53	3	108
Net increase/(decrease) in cash, cash equivalents and restricted cash	16	(19)	(433)	(2,618)
Cash, cash equivalents and restricted cash:				
- Beginning of period	460	556	909	3,155
- End of period	476	537	476	537