Q4 24 & FY 24 report

Denis Machuel, CEO
Coram Williams, CFO

26 February 2025



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.

Opening remarks

Denis Machuel, CEO

2024 financial overview

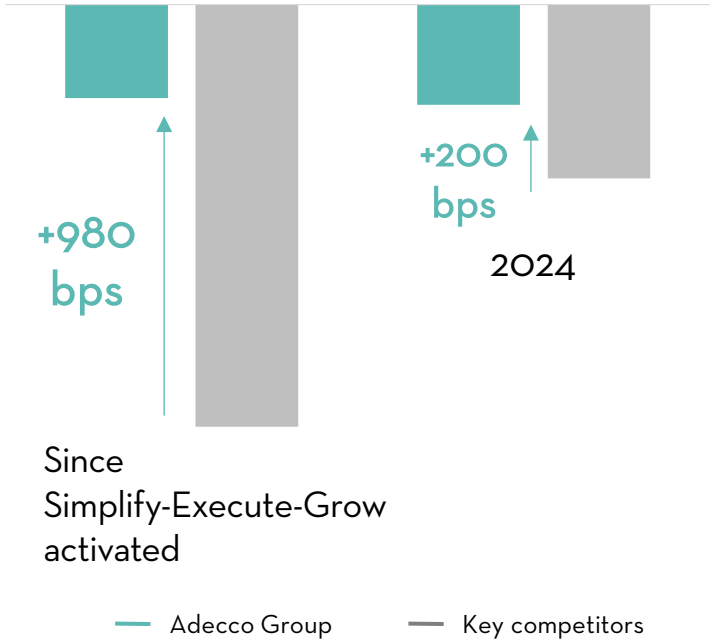
Revenues	Gross profit	EBITA excl. one-offs
€23,138 mn -3% yoy	€4,496 mn -7% yoy 19.4% margin (80) bps yoy	€709 mn -18% yoy 3.1% margin (50) bps yoy

Adecco	Akkodis	LHH
€17,908 mn revenues -3% yoy €604 mn EBITA 3.4% margin	€3,565 mn revenues -4% yoy €195 mn EBITA 5.5% margin	€1,743 mn revenues -6% yoy €110 mn EBITA 6.3% margin

Rigorous execution of Simplify, Execute, Grow plan

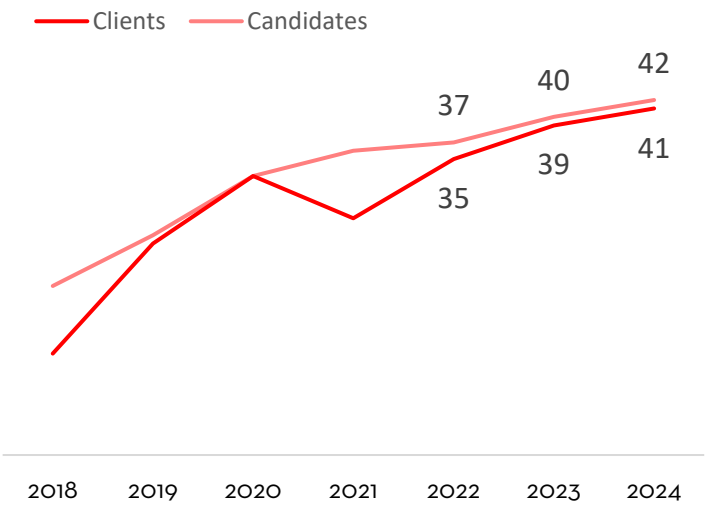
Material market share gains

Relative revenue development
(% change, reported, in EUR terms)



Improved customer satisfaction

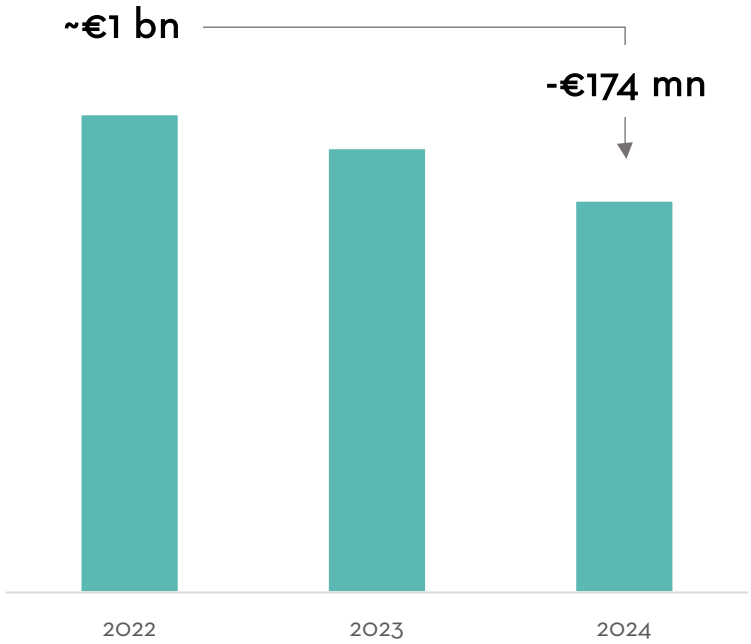
Adecco GBU NPS survey, 2024



4.8/5 avg. star branch rating in 2024, up yoy (Google)

Above target G&A savings locked-in

G&A savings, by year, vs 2022 baseline
(EUR mn, net of inflation, organic, budget rate)



Consistent delivery on stated ambitions

Simplify
Target €150 mn G&A savings run-rate, end H1 24

Execute
Empowered decision-making closest to customers

Grow
Top-line leading to EBITA profitability

2023

- Standardised operational KPIs introduced
- Incentive plans adjusted
- Strengthened Executive Committee
- New operating model finalised
- Microsoft partnership, focused on AI architecture
- €92 mn G&A savings end-23
- +780 bps market share gain (avg.)

2024

- Accelerated move to Shared Service Centres for HR, Finance
- Group-wide values & culture refresh
- Tech Roadmap established
- Salesforce partnership, integrating AI and cloud services across the Group
- Roll-out of AI-powered tools
- Digital delivery engine expanded to 25 large clients
- €174 mn G&A savings delivered through end-24
- +200 bps market share gain (avg.)

2025-

- Pontoon MSP rehomed under Adecco GBU President
- Profitable growth in Adecco US
- Accelerated implementation of Akkodis C&S strategy
- Bullhorn partnership, to lever AI across recruitment workflows
- Upgraded, streamlined tech stack
- Scaling digital delivery engine
- Introducing Agentic AI
- Agile capacity management, G&A savings, deleveraging
- Continued focus on market share gains

MSP = Managed Services Provider

Driving market share gains and growth

Q4 client successes

	CLIENT NEED	VALUE ADD
 Adecco AKKODIS	**Public sector, UK** New partnership, multi-year contract	Digital first, recruitment solution to optimise candidate attraction, assessment and onboarding	• Adecco's unrivalled expertise in workforce management • Akkodis' expertise in systems integration and development, cloud & infrastructure
 Adecco pontoon AKKODIS	**Technology, India** MSP scope expansion, multi-year contract	IT workforce management across USA, Canada, and India	• Speciality IT skills expertise • Staffing know-how, at scale • Streamlined and efficient operations • Regulatory expertise
 LHH EZRA	**Technology, Global** Collaboration for CoPilot development	Coaching to drive adoption of latest AI tools and accompany transformation	• Real-time feedback • Measurable impact at scale

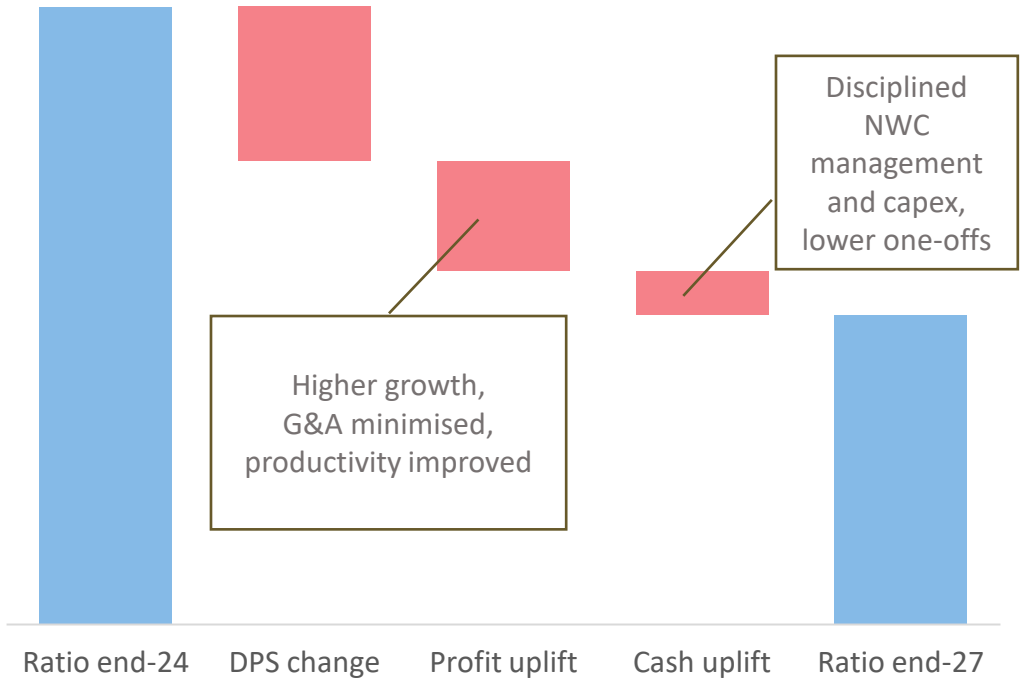
Taking necessary action to accelerate deleveraging, increase financial flexibility

CHF 1.00 DPS to be proposed at 2025 AGM

Updated dividend policy

- Dividend based on **40-50% payout ratio**, using adjusted EPS, consistent with prior policy
- DPS floor no longer applicable
- Commitment to distribute excess capital through buybacks
- Better balance between growth investment to support strategic shift toward profitable growth and shareholder distributions
- 2024 proposed DPS at 42% payout accordingly

Targeting ≤1.5x by end-27[1]



[1] absent any major macroeconomic or geopolitical disruption

Q4 results review

Coram Williams, CFO

Q4 24 financial overview

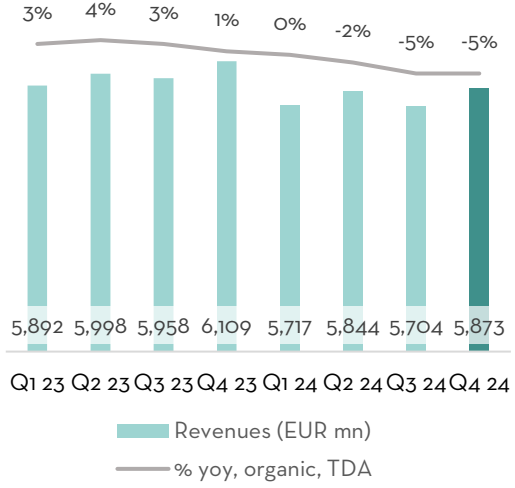
Resilient revenues and profit levels in tough markets

Productivity improved +1% yoy

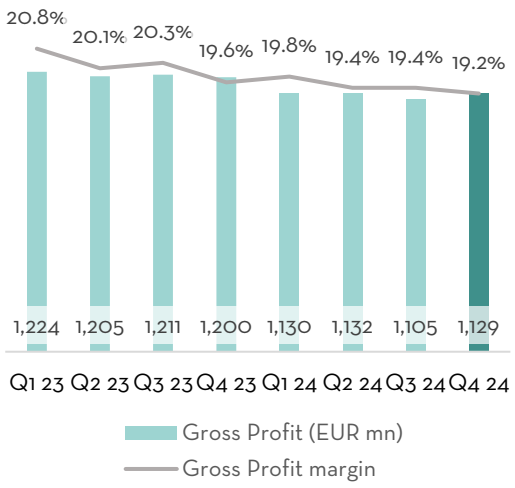
G&A costs strongly reduced, -14% yoy and -22% vs 2022 baseline

Strong cash generation

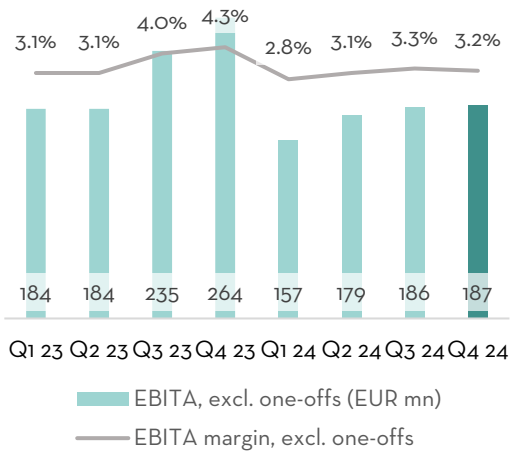
Revenues **€5.9 bn**
-5% yoy



Gross Profit **€1,129 mn**
19.2% margin



EBITA **€187 mn**
3.2% margin

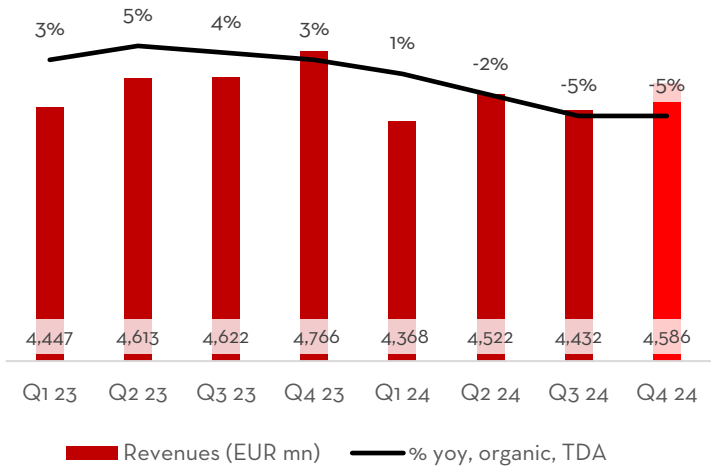


Adj EPS	€0.63
Op CF	€491 mn
Cash conversion	109%

Resilient performance in challenging markets

Revenues **€4.6 bn**, -5% yoy

Share of Group 78%



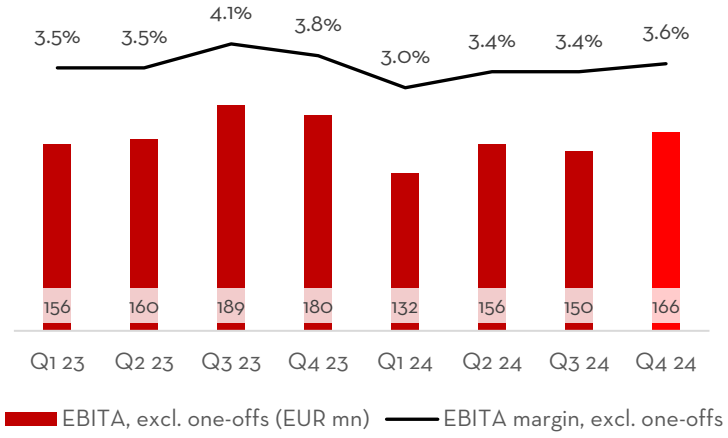
APAC, LatAm solid

Southern Europe & EEMENA robust

France, Northern Europe, DACH, NAM challenged

EBITA **€166 mn**, 3.6% margin

Share of Group 70%



EBITA margin -20 bps yoy

Lower volumes

Good cost mitigation

- Organic revenues -3%, with flex -3.5%, perm -1%, outsourcing +5%. Enterprise soft, SMEs +2%[1]
- Autos, IT Tech subdued; manufacturing, logistics soft. Retail solid; F&B strong
- Gross profit -3% yoy: gross margin stable, pricing firm
- Productivity improved: GP/Selling FTE +2% yoy, Selling FTEs -5% yoy
- EBITA margin mainly reflects lower volumes, current mix, partly offset with good cost mitigation, higher FESCO income
- Agile capacity management to reflect market share opportunities, rebound potential

[1] yoy organic

Note: Quarterly revenues and EBITA margin for 2023 reflect new company reporting policies, effective Jan 1, 2024

Continued growth in Iberia, EEMENA, LatAm, APAC

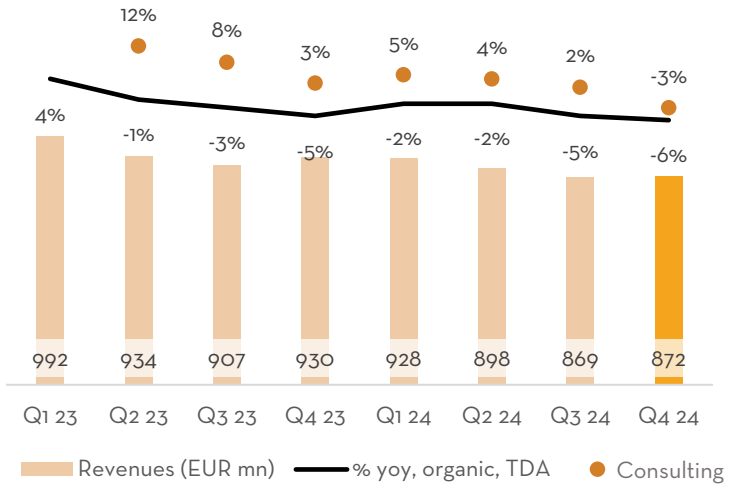
By Segment	Revenues			Market share	EBITA and EBITA margin excl. one-offs		
	As % of Group	Q4 24 € mn	Q4 24 % yoy	LTM	Q4 24 € mn	Q4 24 margin	Change, bps yoy
France	19%	1,133	**-10%**		49	**4.2%**	(50)
Northern Europe (NE)	9%	531	**-11%**		(1)	**(0.4)%**	(220)
DACH	7%	417	**-11%**		4	**1.2%**	+200
Southern Europe & EEMENA (SEE)	21%	1,232	**+3%**		71	**5.8%**	+40
Americas	11%	640	**-5%**		10	**1.6%**	(140)
APAC	11%	634	**+5%**		33	**5.3%**	+20
Adecco	**78%**	**4,586**	**-5%**		**166**	**3.6%**	(20)

- **France:** broad-based downturn with logistics, healthcare pressured. Right-sizing actions taken
- **NE:** UK&I -19%, Nordics -10%, Belux +4%. Retail, construction, consulting weak. Margin weighed by one-time items
- **DACH:** Germany -14%, Switz. -6%. Logistics, manufacturing, IT Tech challenged, autos weak
- **SEE:** Iberia +10%, EEMENA +13%, Italy -3%. Logistics, F&B, retail strong
- **Americas:** LatAm +8%. NAM -12%; weighed by market downturn and specific client headwinds; SMEs up yoy
- **APAC:** Japan +7%, India +24%, Asia +8%. Australia & New Zealand -10%, high comparison base

Solid execution given market headwinds

Revenues **€872 mn**, -6% yoy

Share of Group 15%



North EMEA -12% yoy

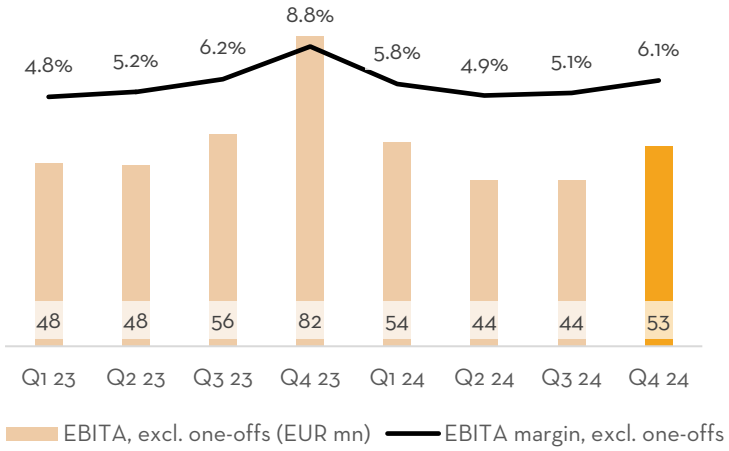
South EMEA -5% yoy

North America -9% yoy

APAC +4% yoy

EBITA **€53 mn**, 6.1% margin

Share of Group 22%



Underlying EBITA margin -100 bps yoy

Lower volumes, utilisation

G&A savings

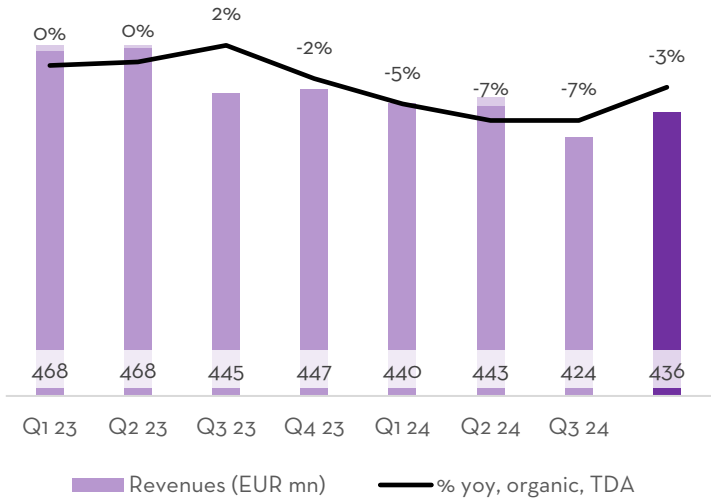
- Consulting & Solutions -3%[1], Tech Staffing -11%[1]
- EMEA weak: France -6%, Germany -15%. Autos challenged, aerospace soft
- NAM weighed by tech staffing downturn, improved qoq; Solutions +31%[1]
- APAC solid: Japan & China +9%, strong in Consulting. Australia -8%, headwinds in tech staffing
- Margins reflect lower volumes, utilisation, partly offset by G&A cost savings. Q4 23's margin was flattered by one-time items
- Consulting & Solutions EBITA margin 7.6%; excl. Germany >10%

[1] yoy organic

LHH | Sequentially better; strong delivery in Career Transition, Pontoon

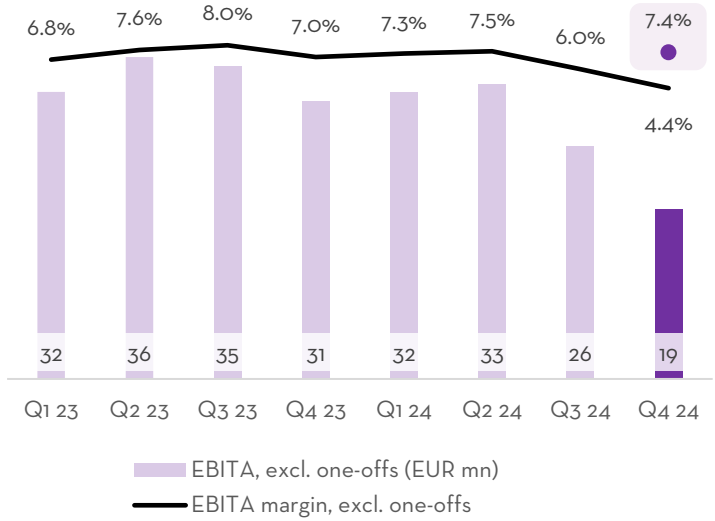
Revenues **€436 mn**, -3% yoy

Share of Group 7%



EBITA **€19 mn**, 4.4% margin

Share of Group 8%



Recruitment Solutions (RS) -8% yoy

Career Transition (CT) -1% yoy

Learning & Development (L&D) -5% yoy[1]

Pontoon +6% yoy

EBITA margin -260 bps yoy

Wind down of GA B2C

Underlying margin 7.4%

- RS: Gross profit -8%, professional perm markets remain subdued
- CT: robust given high comparison, sequentially improved. Pipeline solid
- L&D: Ezra +15% on a high comparison, healthy order book. Strong traction in GA B2B, +48%; exiting GA B2C
- Pontoon: +6%, with Direct Sourcing +17%. MSP/RPO trend improved
- EBITA margin reflects wind down of GA B2C and lower volumes, partly offset by strong G&A savings and moderated investment in ventures

[1] yoy organic, adjusted to exclude Hired (non-operational since Q2 24)

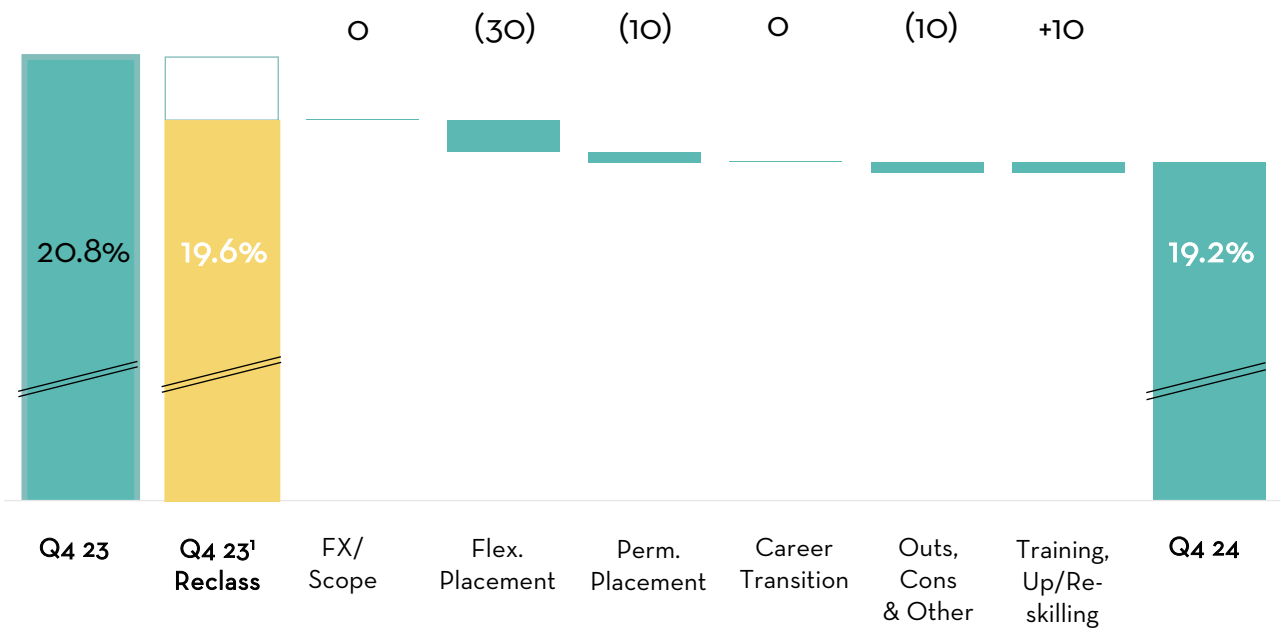
Note: Quarterly revenues and EBITA margin for 2023 reflect new company reporting policies, effective Jan 1, 2024

Resilient margins: pricing firm, volumes and mix effects, above target G&A savings

Selective protection of sales / delivery capacity

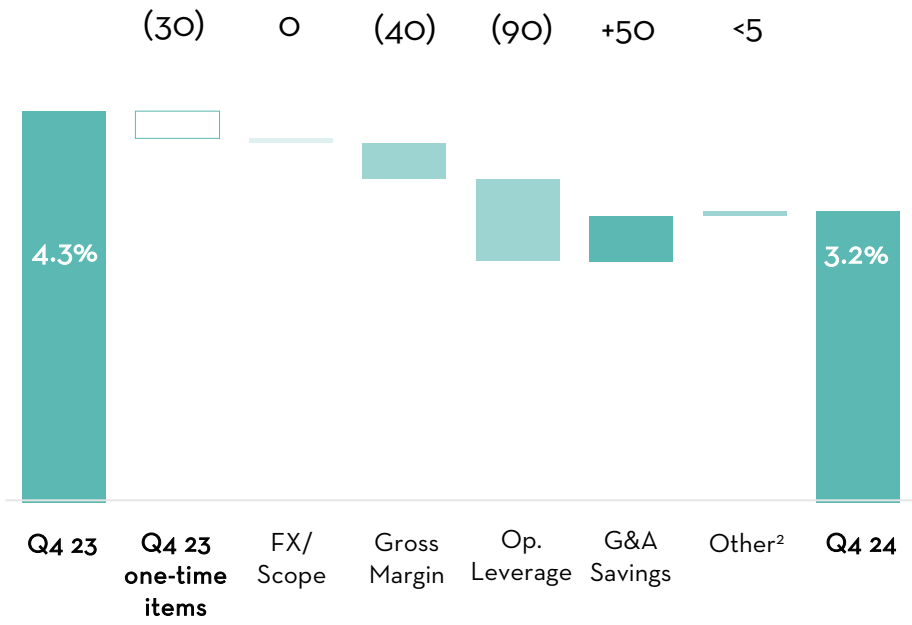
Gross profit bridge

As % of revenues yoy, in bps



EBITA bridge, excl. one-offs

As % of revenues



Revenues yoy, organic	-5%	-7%	+2%	+5%	+1%
As % of Group Gross Profit	55%	11%	8%	22%	4%

- SG&A expenses +2% yoy, to 16.1% of revenues (15.3% Q4 23)
- G&A expenses -14% yoy, to 3.4% of revenues (3.8% Q4 23)
- FTEs -6% yoy, -2% qoq
- Selling FTEs -6% yoy; G&A FTEs -8% yoy

[1] Effective 1 January 2024, certain SG&A expenses were reclassified to CoS, impacting the gross margin

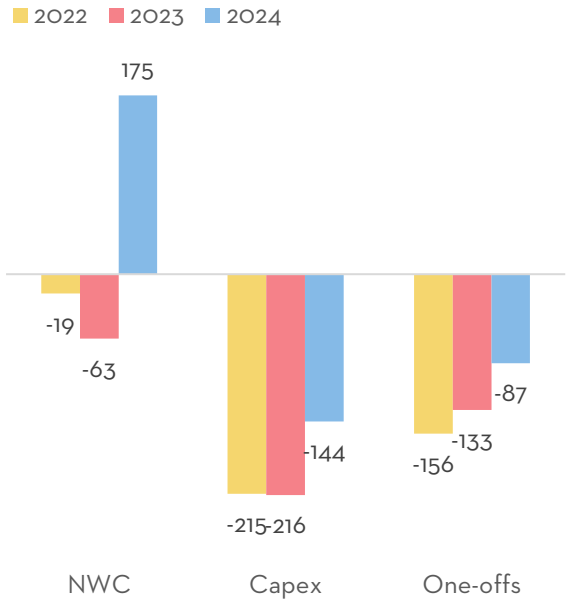
[2] Other = FESCO JV, IT/Digital

Strong cash generation, solid financing structure

Cash generation

- **FY** Op Cash Flow +€707 mn; FCF +€563 mn, +€216 mn yoy
  - *NWC development reflecting favourable customer collections and payables balances*
  - *DSO improved 0.1 days to 52.8 days*
- **Q4** Op Cash Flow +€491 mn; FCF +€446 mn, + €211 mn yoy
  - *NWC development driven Q3 timing impacts, favourable payables balances*
  - *DSO improved 0.4 days to 52.2 days*
- **Cash Conversion 109%,** from 63% in FY23

Key levers: disciplined NWC management and capex, lower one-offs
(in EUR mn)



Balance sheet & financing metrics

- **End-24 net debt/EBITDA 2.8x**
- **Net debt €2,476 mn, €114 mn lower yoy, ahead of guidance**
- Gross debt €188 mn lower yoy
- €430 mn bond repaid at maturity in Q4
- CHF 225 mn bond to mature Q4 25
- 79% debts fixed; no covenants; undrawn RCF
- Targeting end-27 Net debt/EBITDA ≤1.5x[1]

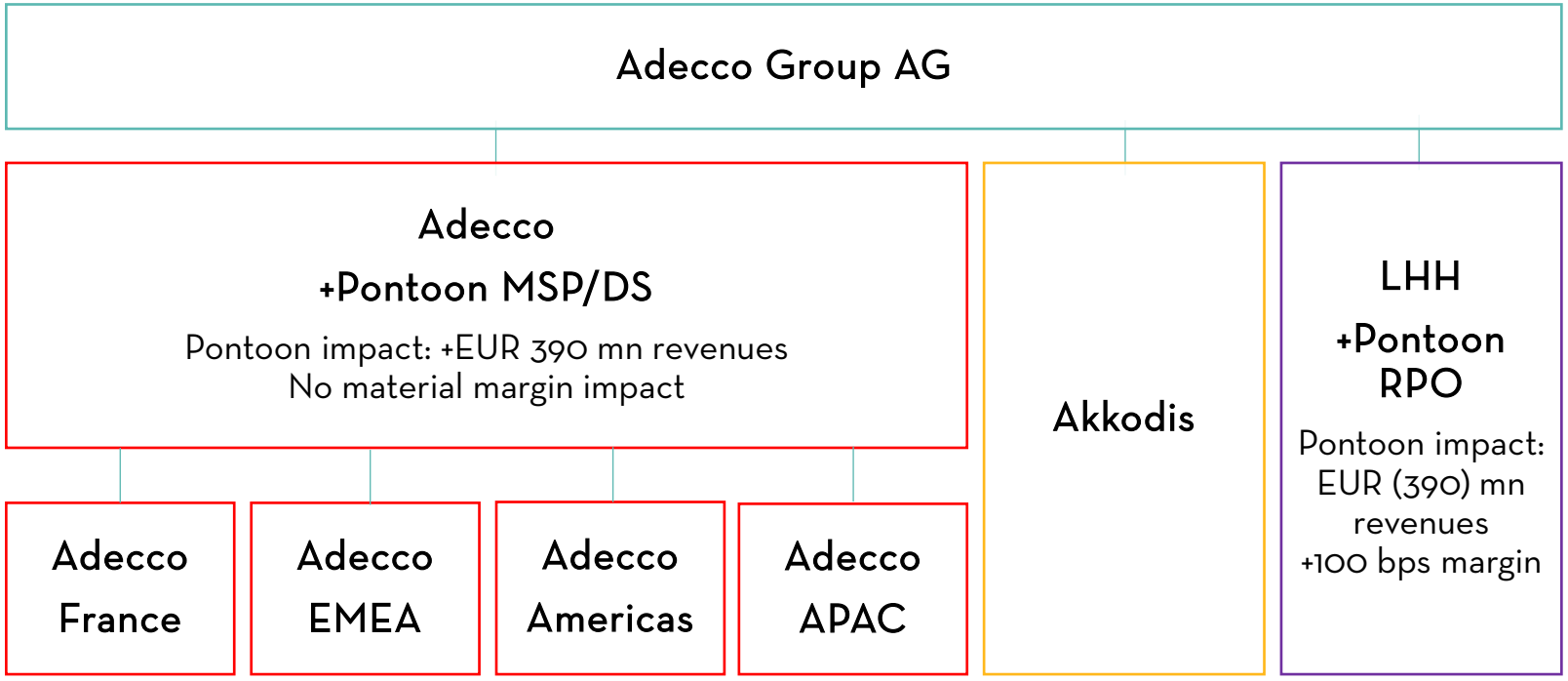
[1] absent any major macroeconomic or geopolitical disruption

Note: US GAAP records operating lease expenses within COS or SG&A expenses. Operating lease expenses totalled €58 mn in Q4 and €223 mn in FY24

Driving simplification and growth: new reporting structure effective January 1, 2025

Key changes

- Pontoon MSP/DS under Adecco GBU President given close alignment of services, strategic focus on MSP expansion
- Pontoon RPO to be combined with LHH Recruitment Solutions, to realise synergies and scale RPO
- Adecco GBU segments streamlined to reflect leadership and organisational simplification



MSP = Managed Services Provider; DS = Direct Sourcing (sometimes referred to as RPO for contingent); RPO = Recruitment Process Outsourcing

Near term outlook



- Volumes stabilising throughout Q4 and improving momentum in early 2025
- For Q1, the Group expects gross margin to be higher sequentially, in line with normal seasonality
- For Q1, the Group expects SG&A expenses excluding one-offs to be broadly flat sequentially
- Management continues to focus on G&A savings while positioning sales and delivery capacity to capture market share and accelerate into recovery

Strategic priorities

Denis Machuel, CEO

Driving performance across our GBUs

Deep Dive: traction with Adecco US turnaround – 2024 highlights

Branch revitalisation

- 96 branches improving profitability
- Strong 80% avg. fill rate
- 22 branches opened in 2024
- Expansion in healthcare, 4 dedicated branches added
- 20 new branches scheduled to open in 2025

Customer expansion

- 2024 NPS 49, +9 pts yoy
- Revenues +390 bps vs ASA staffing index
- SME revenues up through H2 24
- >1,400 client gains, net; encouraging large wins, particularly in F&B
- Strengthened pipeline, higher win conversion rate

Cost optimisation

- Digital recruitment launched
- Centralised / near-shore delivery established
- Continued G&A optimisation
- GP/Selling FTE +3% yoy

Anticipating return to growth in H1 25

Driving performance across our GBUs

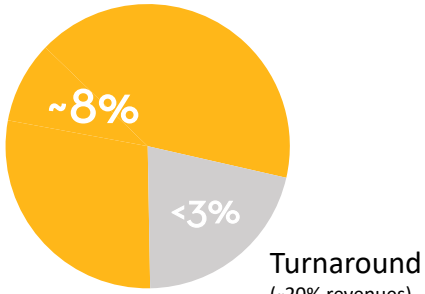
Deep Dive: accelerating implementation of Akkodis' C&S strategy under new leadership

Strong foundation

FY24 Consulting & Solutions

€2.6bn revenues,
+1% yoy

EBITA margin breakdown



6.1% EBITA margin

Focus on 4 levers to accelerate performance

Operational excellence
Higher project margins, solutions-orientated offerings; best-in-class utilisation

Leading-edge technology practices
Strengthened expertise e.g. AI

Offshore expansion
Increased global capabilities; ~10% of revenues delivered offshore by FY27

Geographic improvement
Turnaround of Germany; increased presence in key markets, e.g. US

Supported by small, bolt-on M&A

Raland Compliance Partners, US *Acquired Jan 25*

Expands Life Sciences and Healthcare capabilities

Barhead Solutions, Australia *Acquired Feb 25*

Enhances Microsoft technology solutions expertise; strengthens footprint nationwide and offshore

Higher growth, driving margin into 7-10% GBU corridor

Building a GenAI powered business, at pace

AI solutions to accelerate profitable growth

25k recruiters	**19k users**
equipped with **Recruiter GenAI**	of **LHH Career Canvas**
136k candidates	**+9% RRG** (FY24)
placed through Adecco **digital platform** globally	promising results from **digital platform** pilot

Enhanced by Strategic Partnerships

Salesforce: AI enhancements in Front Office
- Digital apps integration, process automation
- AI-driven insights, recommendations
- Trailblazing Agentic AI

Bullhorn: AI-powered Search & Match technology, seamless integration with Salesforce

Microsoft: AI architecture partner

Powered by a simplified technology foundation

A differentiated experience, enhanced human centricity

Key takeaways

- Gaining market share: relative revenue growth +200 bps in 2024
- G&A savings above target with EUR 174 mn, net, delivered end-24
  Selective protection of sales/delivery capacity
- Strong cash generation, 109% cash conversion ratio
- Accelerating adoption of AI technologies to revolutionise the recruitment process
- Updated dividend policy to accelerate deleveraging, increase financial flexibility
- Focused on strategic priorities, rigorous execution; committed to financial targets

Q&A



Appendix



Additional financial framework

EUR mn, unless otherwise stated	FY 2023	FY 2024	FY 2025 Est.	Q1 2025 Est.
One-off costs	(133)[1]	(87)[2]	~ (30)	~ (5)
Depreciation	(154)	(162)	~ (160)	~ (40)
Amortisation	(102)	(81)	~ (60)	~ (15)
Interest expense	(77)	(73)	~ (80)	~ (20)
Other income/(expenses), net	(48)	(25)	~ (20)	~ (5)
Effective tax rate	36%[3]	32%[3]	34%[4]	34%[4]
Capital expenditure	(216)	(144)	~ (160)	~ (40)

	FY 2023	FY 2024	FY 2025 Est.	Q1 2025 Est.
Foreign exchange impact on revenues *(at current rates, yoy)*	(2.1)%	(1.1)%	+0.1%	(0.2)%
Trading Days Adjustment *(difference in trading hours, yoy)*	(0.2)%	0.8%	(0.2)%	(0.6)%

[1] Of which, EUR 92 mn mainly G&A related, and EUR 41 mn AKKA integration and related costs. [2] Of which, EUR 79 mn mainly G&A related, and EUR 8 mn AKKA integration and related costs. [3] Tax rate including discrete events. [4] Tax rate guidance excluding discrete events.



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