



Q1 2015 Results

Adecco Group

Zurich, May 7, 2015

Disclaimer and 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 Adecco S.A. 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 of intangible assets.

'Net debt' comprises short-term and long-term debt less cash and cash equivalents and short-term investments.

Agenda

Operational review

Financial review

Strategy & outlook

Appendix

Operational review

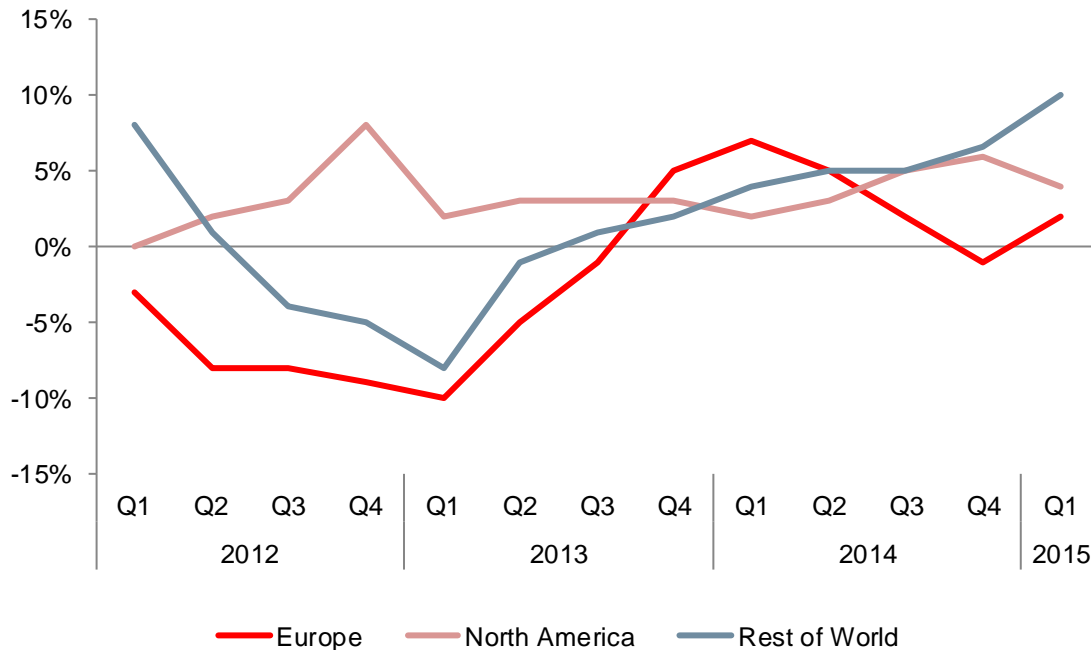
Highlights

Q1 2015

- ▶ Revenues EUR 5.1 billion, up 4% yoy in constant currency
- ▶ Gross margin of 19.1%, up 50 bps yoy
- ▶ SG&A up 1% yoy and up 1% sequentially, in constant currency and excluding prior year restructuring costs
- ▶ EBITA EUR 236 million
- ▶ EBITA margin of 4.6%, up 60 bps yoy excluding prior year restructuring costs
- ▶ Revenue growth in April similar to Q1 2015, in constant currency & adjusted for trading days

Revenue development by region¹⁾

Organic year-on-year change in percent



Europe grew by 2% in Q1 2015 compared to a decline of 1% in the previous quarter

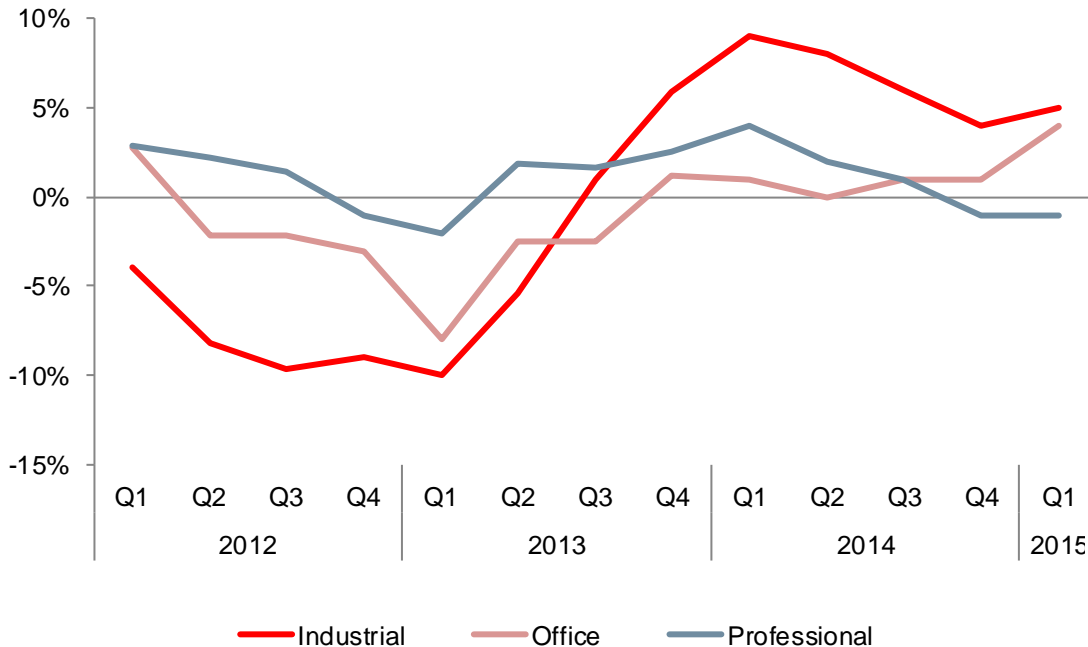
North America grew by 4% in Q1 2015 compared to 6% in the previous quarter

Rest of World grew by 10% in Q1 2015 compared to 6% in the previous quarter

1) Excluding LHH.

Revenue development by business line¹⁾

Organic year-on-year change in percent



Industrial grew by 5% in Q1 2015 compared to 4% in the previous quarter

Office grew by 4% in Q1 2015, compared to 1% in the previous quarter

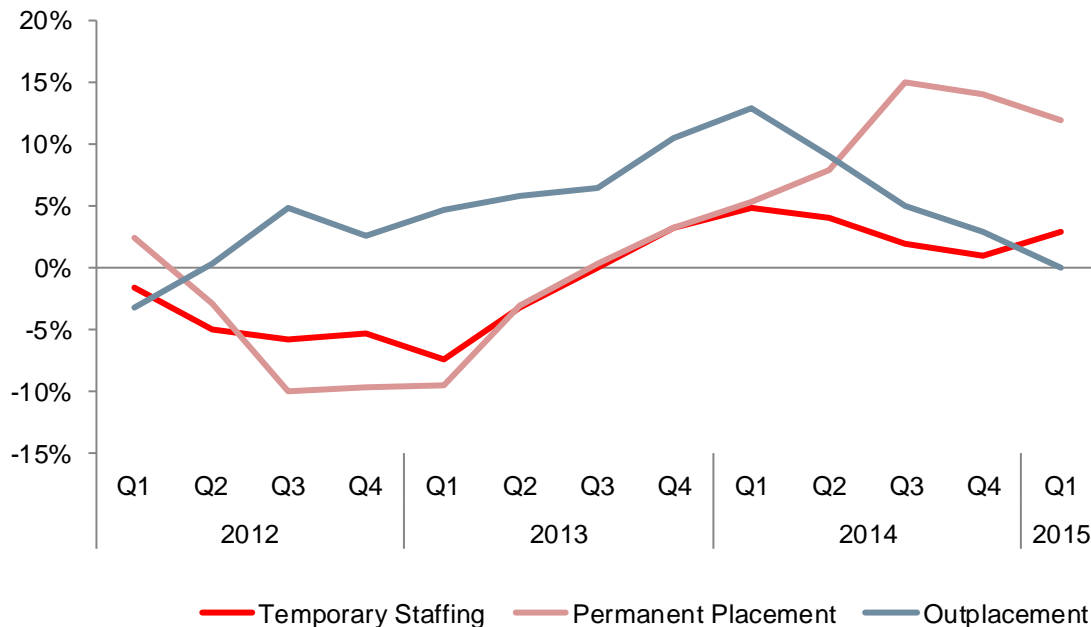
Professional Staffing -1% in Q1 2015, same as in in the previous quarter:

- IT: flat (-1% in Q4 2014)
- Engineering & Tech.: -6% (-6%)
- Finance & Legal: 3% (4%)
- Medical & Science: 8% (3%)

1) Excluding Solutions.

Revenue development by service line¹⁾

Organic year-on-year change in percent



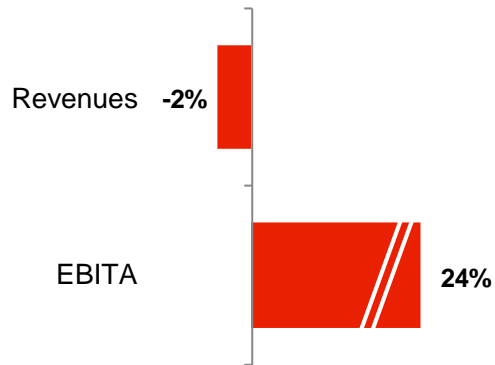
- Temporary staffing revenues grew by 3% in Q1 2015 compared to 1% in the previous quarter
- Permanent placement revenues grew by 12% in Q1 2015 compared to 14% in the previous quarter
- Outplacement revenues were flat in Q1 2015 compared to up 3% in the previous quarter

1) Excluding Outsourcing and Other.

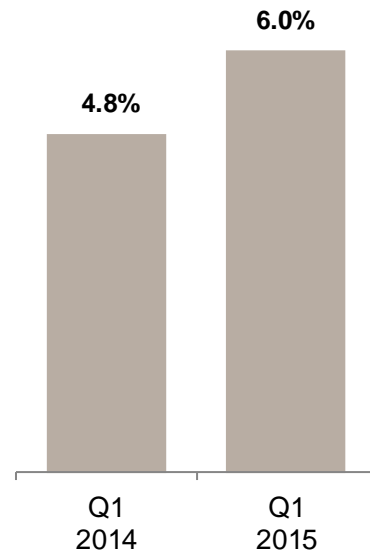
France

20% of group revenues in Q1 2015

Q1 yoy growth



EBITA margin



Revenues EUR 1,038 million, down 2% yoy; revenues declined in Industrial, Office and Professional Staffing



EBITA EUR 63 million. EBITA margin of 6.0%, up 120 bps, impacted by a favourable one-time item, which added approx. 60 bps.

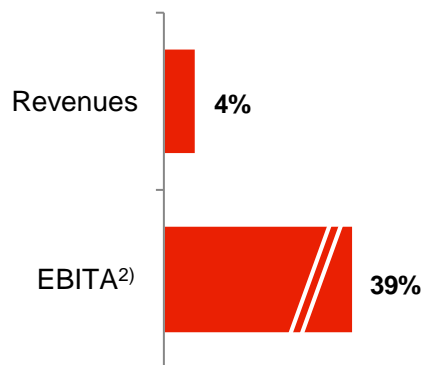


Revenues for March 2015 down 3% yoy, adjusted for trading days

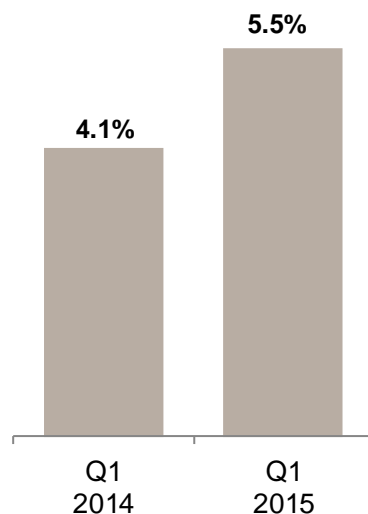
North America

21% of group revenues in Q1 2015

Q1 yoy growth¹⁾



EBITA²⁾ margin



Revenues EUR 1,077 million, up 4% yoy organically, driven by continued strong growth in Industrial, up by 14% in constant currency

EBITA EUR 59 million. EBITA margin²⁾ up 140 bps helped by perm revenue growth of 13% yoy in constant currency

Revenues for March 2015 up 3% yoy, adjusted for trading days

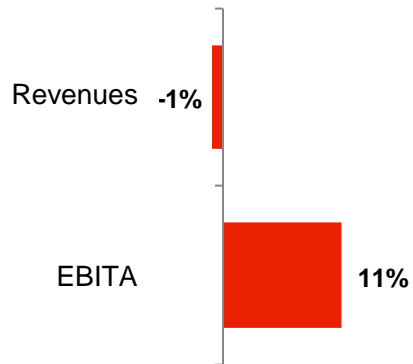
1) Revenue growth is organic and EBITA growth is in constant currency.

2) EBITA, EBITA growth rate and EBITA margin exclude restructuring costs of EUR 5 million in Q1 14.

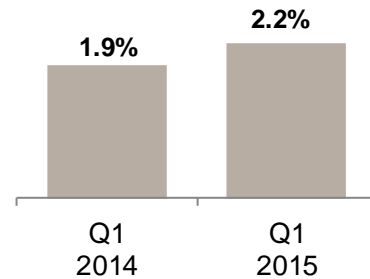
UK & Ireland

11% of group revenues in Q1 2015

Q1 yoy growth¹⁾



EBITA margin



Revenues EUR 555 million, down 1% yoy in constant currency



EBITA EUR 12 million. EBITA margin up 30 bps



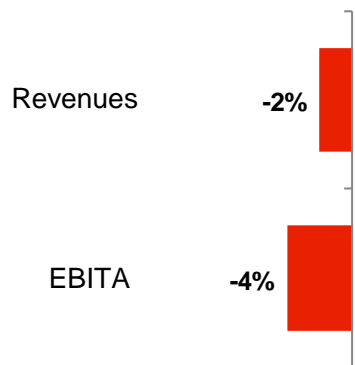
Revenues for March 2015 down 4% yoy, adjusted for trading days

1) Growth rates are in constant currency.

Germany & Austria

8% of group revenues in Q1 2015

Q1 yoy growth



EBITA margin



Revenues EUR 413 million, down 2% yoy, with Industrial down 2% and Professional Staffing down 3%



EBITA EUR 26 million. EBITA margin down 20 bps

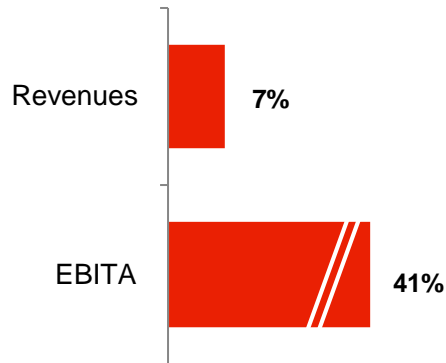


Revenues for March 2015 flat yoy, adjusted for trading days

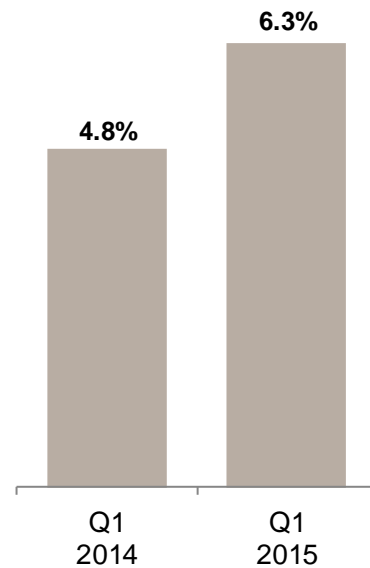
Japan

5% of group revenues in Q1 2015

Q1 yoy growth¹⁾



EBITA margin



Revenues EUR 274 million, up 7% yoy in constant currency with equal growth in both general and professional staffing



EBITA EUR 17 million. EBITA margin up 150 bps



Revenues for March 2015 up 2% yoy, adjusted for trading days

1) Growth rates are in constant currency.

Revenues and EBITA by segment

Q1 2015 vs. Q1 2014

| % of revenues | | Revenues | | EBITA | | |
|---------------|----------------------------------|--------------|--------------------|--------------|-------------|---------------------------------|
| | | EUR millions | Organic change yoy | EUR millions | Margin | Margin change yoy ¹⁾ |
| 20% | France | 1,038 | -2% | 63 | 6.0% | 120 bps |
| 21% | North America ¹⁾ | 1,077 | 4% | 59 | 5.5% | 140 bps |
| 11% | UK & Ireland | 555 | -1% | 12 | 2.2% | 30 bps |
| 8% | Germany & Austria | 413 | -2% | 26 | 6.3% | -20 bps |
| 5% | Japan | 274 | 7% | 17 | 6.3% | 150 bps |
| 6% | Italy | 293 | 17% | 16 | 5.6% | 80 bps |
| 5% | Benelux | 240 | 6% | 10 | 4.3% | 90 bps |
| 4% | Nordics | 178 | -5% | (1) | -0.7% | -280 bps |
| 4% | Iberia | 202 | 16% | 9 | 4.3% | 110 bps |
| 2% | Australia & New Zealand | 91 | 9% | (1) | -1.1% | 30 bps |
| 2% | Switzerland | 105 | 2% | 7 | 6.9% | -10 bps |
| 10% | Emerging Markets | 523 | 11% | 20 | 3.9% | 60 bps |
| 2% | LHH | 94 | 0% | 30 | 31.5% | 0 bps |
| | Corporate | | | (31) | | |
| 100% | Adecco Group¹⁾ | 5,083 | 3.4% | 236 | 4.6% | 60 bps |

1) Excluding restructuring costs in Q1 2014 of EUR 5 million in North America.

Financial review

Q1 2015 Results in detail – P&L

In EUR millions

| EUR millions except share and per share information | Q1 | | Variance % | |
|--|--------------|--------------|------------|----------------------|
| | 2015 | 2014 | EUR | Constant Currency |
| Revenues | 5,083 | 4,656 | 9% | 4% |
| Gross profit | 972 | 868 | 12% | 5% |
| EBITA excluding restructuring costs | 236 | 185 | 28% | 21% |
| EBITA | 236 | 180 | 31% | 25% |
| Operating income | 228 | 171 | 33% | 28% |
| Income before income taxes | 215 | 152 | 42% | |
| Net income | 161 | 111 | 45% | |
| Net income attributable to Adecco shareholders | 160 | 110 | 45% | |
| Basic earnings per share | 0.92 | 0.62 | 49% | |
| Diluted earnings per share | 0.92 | 0.62 | 50% | |

Revenues up 4% in constant currency

EBITA up 21% in constant currency and excluding prior year restructuring costs

Basic weighted-average shares were 173m in Q1 2015 vs 178m in Q1 2014

Sequential revenue analysis

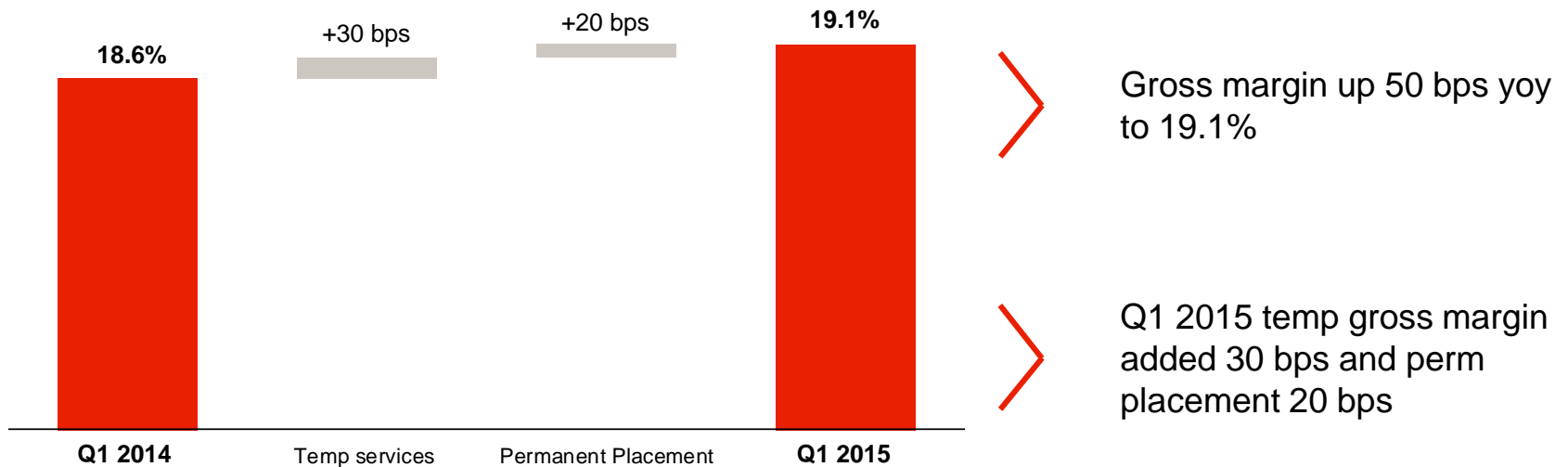
| Adecco Group | Q1 | Q2 | Q3 | Q4 |
|--------------|-------|-------|----|-------|
| 2007 | = | = | - | = |
| 2008 | + | - - | - | - - - |
| 2009 | - - - | - - - | = | = |
| 2010 | + + | + | + | + |
| 2011 | + | = | = | = |
| 2012 | - | - | - | - |
| 2013 | = | = | = | = |
| 2014 | = | = | - | = |
| 2015 | + | | | |

- + Above long-term growth trend¹⁾
- = In line with long-term growth trend¹⁾
- Below long-term growth trend¹⁾

1) Long-term growth trend is the 12-yr median of sequential growth for the relevant quarter, adjusted for currency, acquisitions, divestitures and trading days.

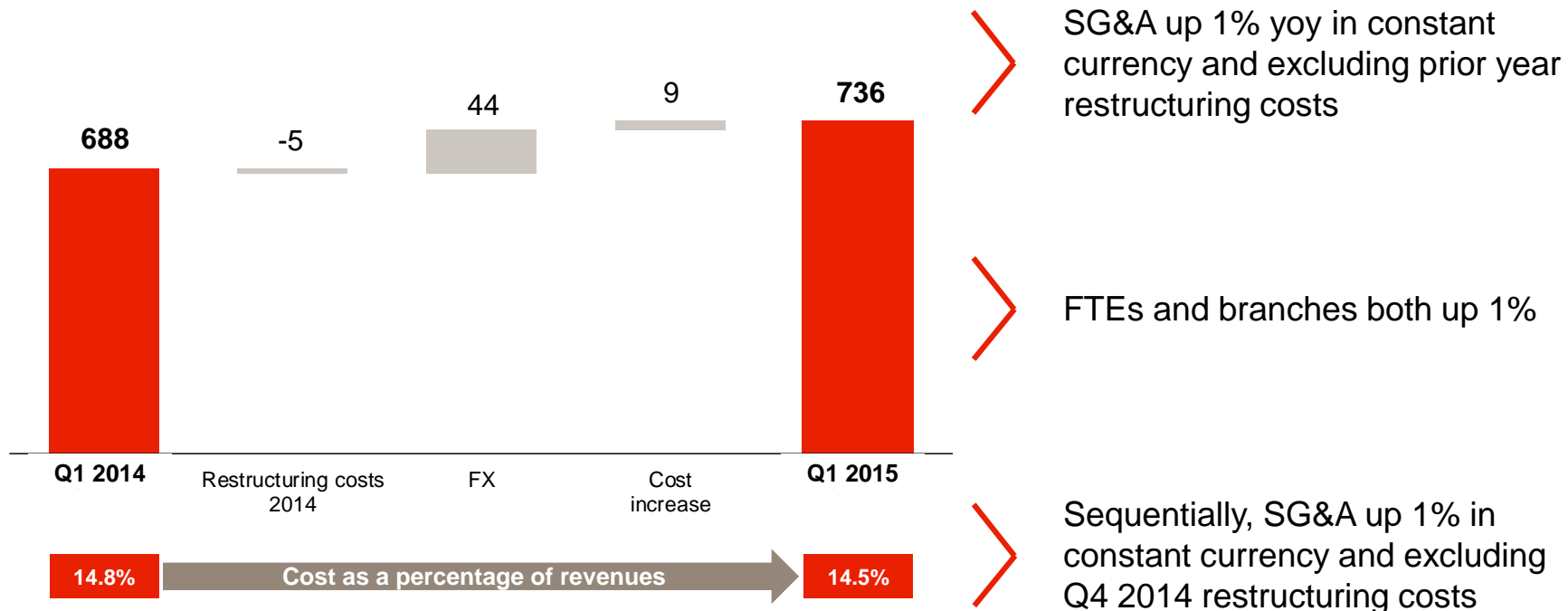
Q1 2015 gross margin drivers

As percentage of revenues



Q1 2015 SG&A movements

In EUR millions



Q1 2015 cash flow statement

In EUR millions

| EUR millions | Q1 | |
|--|-------------|------------|
| | 2015 | 2014 |
| Cash flows from operating activities | | |
| Net income | 161 | 111 |
| Adjustments to reconcile net income to cash flows from operating activities: | | |
| – Depreciation and amortisation | 32 | 32 |
| – Other charges | 7 | 11 |
| Changes in operating assets and liabilities, net of acquisitions: | | |
| – Trade accounts receivable | (49) | 24 |
| – Accounts payable and accrued expenses | (22) | (32) |
| – Other assets and liabilities | (75) | (43) |
| Cash flows from operating activities | 54 | 103 |
| Cash from/(used in) investing activities | (53) | 8 |
| Cash flows from financing activities | 178 | 32 |
| Effect of exchange rate changes on cash | 47 | (9) |
| Net increase in cash and cash equivalents | 226 | 134 |
| Cash and cash equivalents: | | |
| – Beginning of period | 695 | 963 |
| – End of period | 921 | 1,097 |

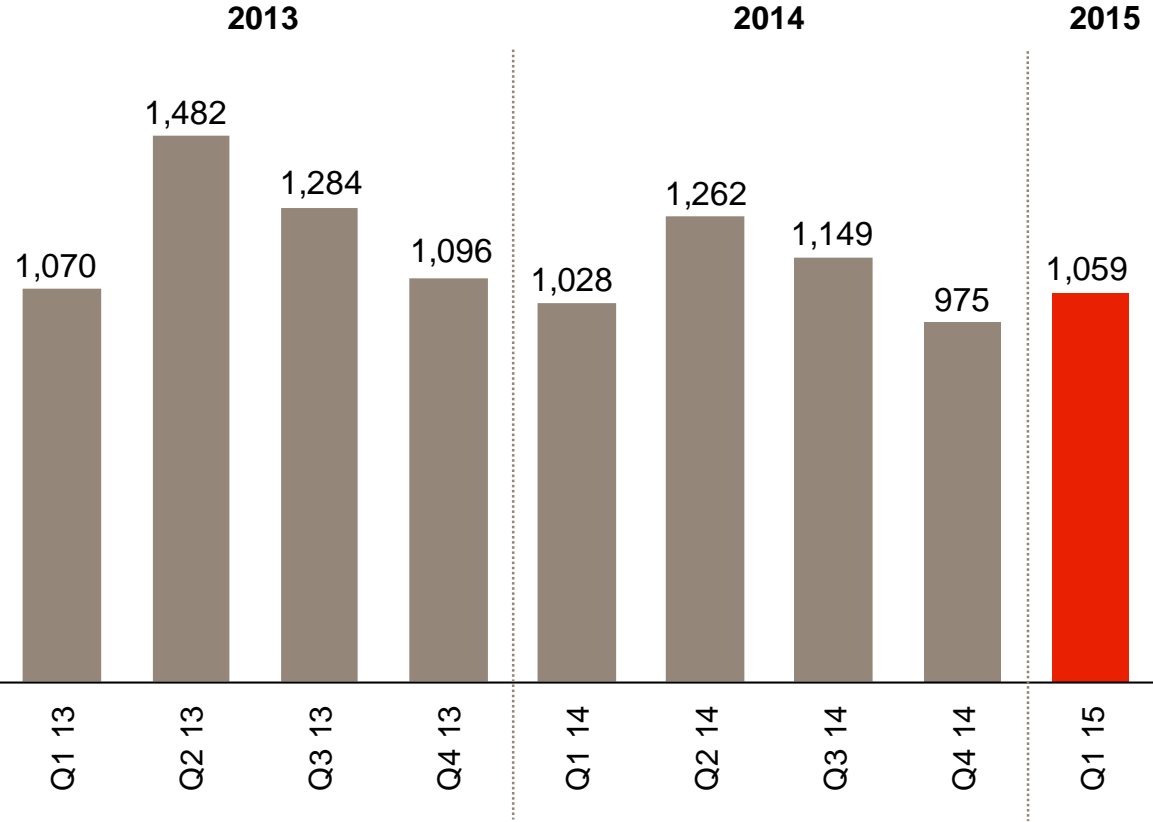
Q1 2015 cash flow from operating activities of EUR 54 million

In Q1 2015, cash flows used in investing activities included EUR 20 million capex

Q1 2015 cash flows from financing activities included EUR 26 million purchase of shares

Net debt development

In EUR millions



Q1 2015 Net Debt / EBITDA¹⁾ of 1.0x

1) Last 4 quarters EBITDA, calculated as: EBITA excluding restructuring costs plus depreciation.

Financial Guidance

Based on current management expectations

| | | | |
|---------|------------------|---|---------------------------------------|
| FY 2015 | Corporate costs | > | ~ EUR 120 million |
| | Interest expense | > | ~ EUR 65 million |
| | Capex | > | ~ EUR 90 million |
| | Amortisation | > | ~ EUR 35 million |
| Q2 2015 | Tax rate | > | Effective rate ~ 27 % |
| | SG&A | > | Up slightly QoQ, in constant currency |

Strategy & Outlook

Outlook

Adecco Group:
In April, revenue growth similar to the first quarter, in constant currency and adjusted for trading days

Europe:
Stabilisation in France, pick-up in Benelux, Italy & Iberia maintain double-digit growth

North America:
Growth remains robust

Rest of the World:
Improving trend in Japan, Australia & NZ; growth remains robust in Emerging Markets

Remain convinced we will achieve target of >5.5% EBITA margin in 2015

Appendix

Developments in the Emerging Markets

Q1 2015 revenues by geography

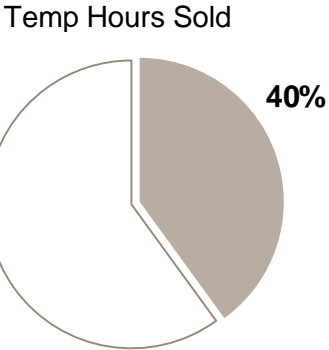
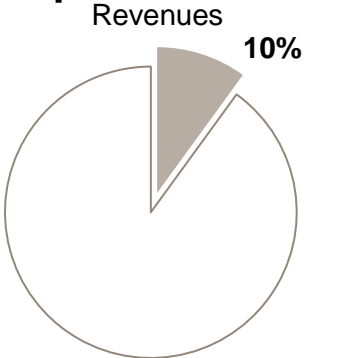
Revenue split / growth



yoy growth, in constant currency

| | | |
|-----|-------------------------|-----|
| 40% | ■ Latin America | 9% |
| 30% | ■ Eastern Europe & MENA | 16% |
| 19% | ■ Asia | 6% |
| 11% | ■ India | 15% |

Emerging Markets compared to Adecco Group

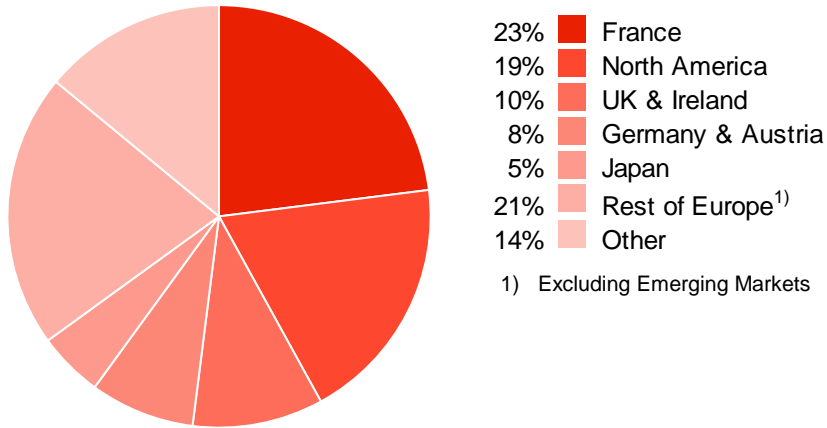


■ Emerging Markets
□ Adecco Group (excl. Emerging Markets)

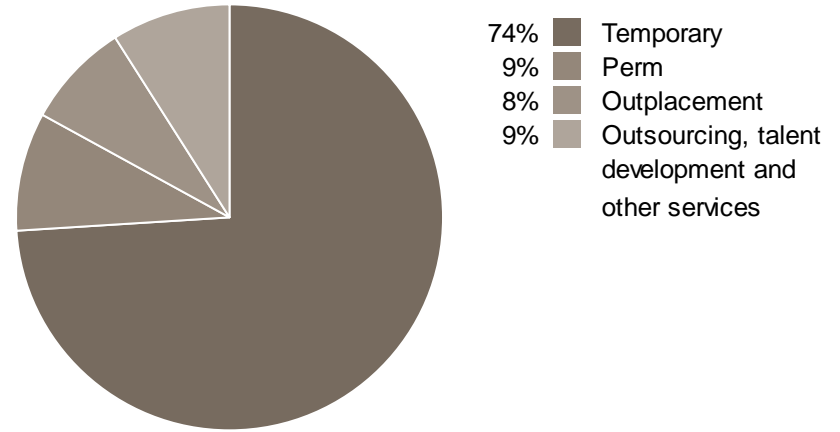
Revenue and Gross Profit

by segment, by business line and by service line

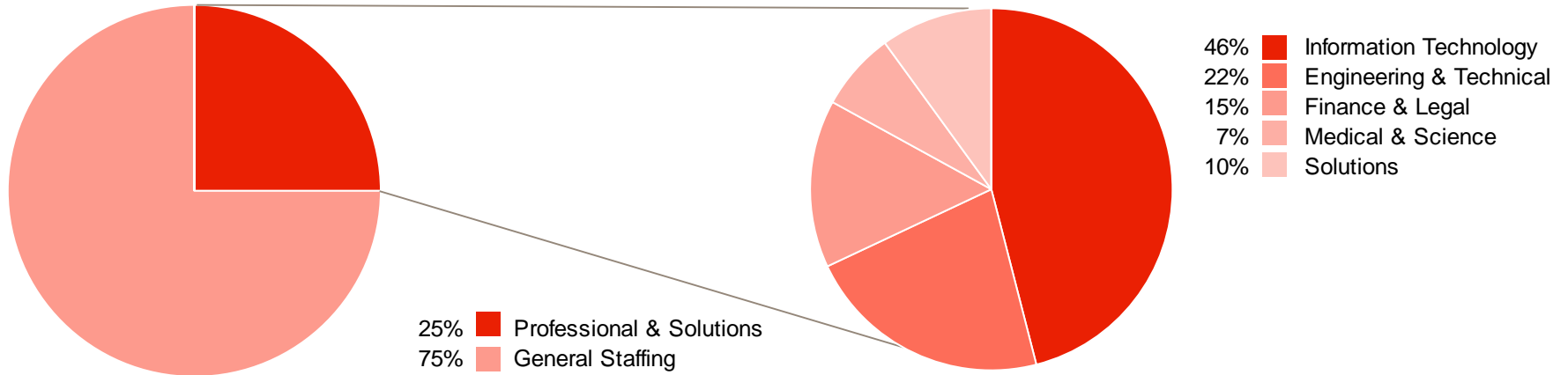
FY 2014 revenues by segment



FY 2014 gross profit by service

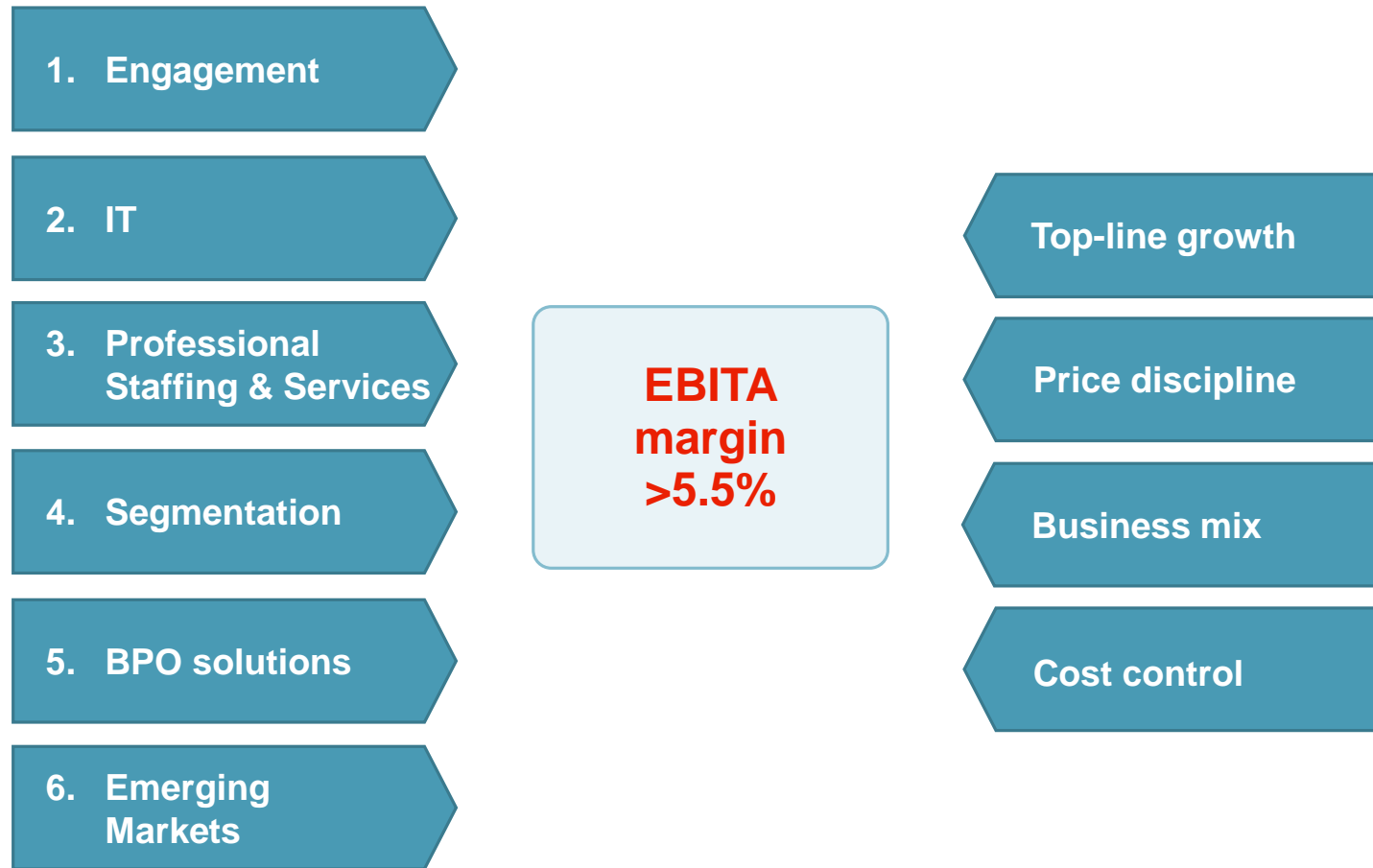


FY 2014 revenues by business line



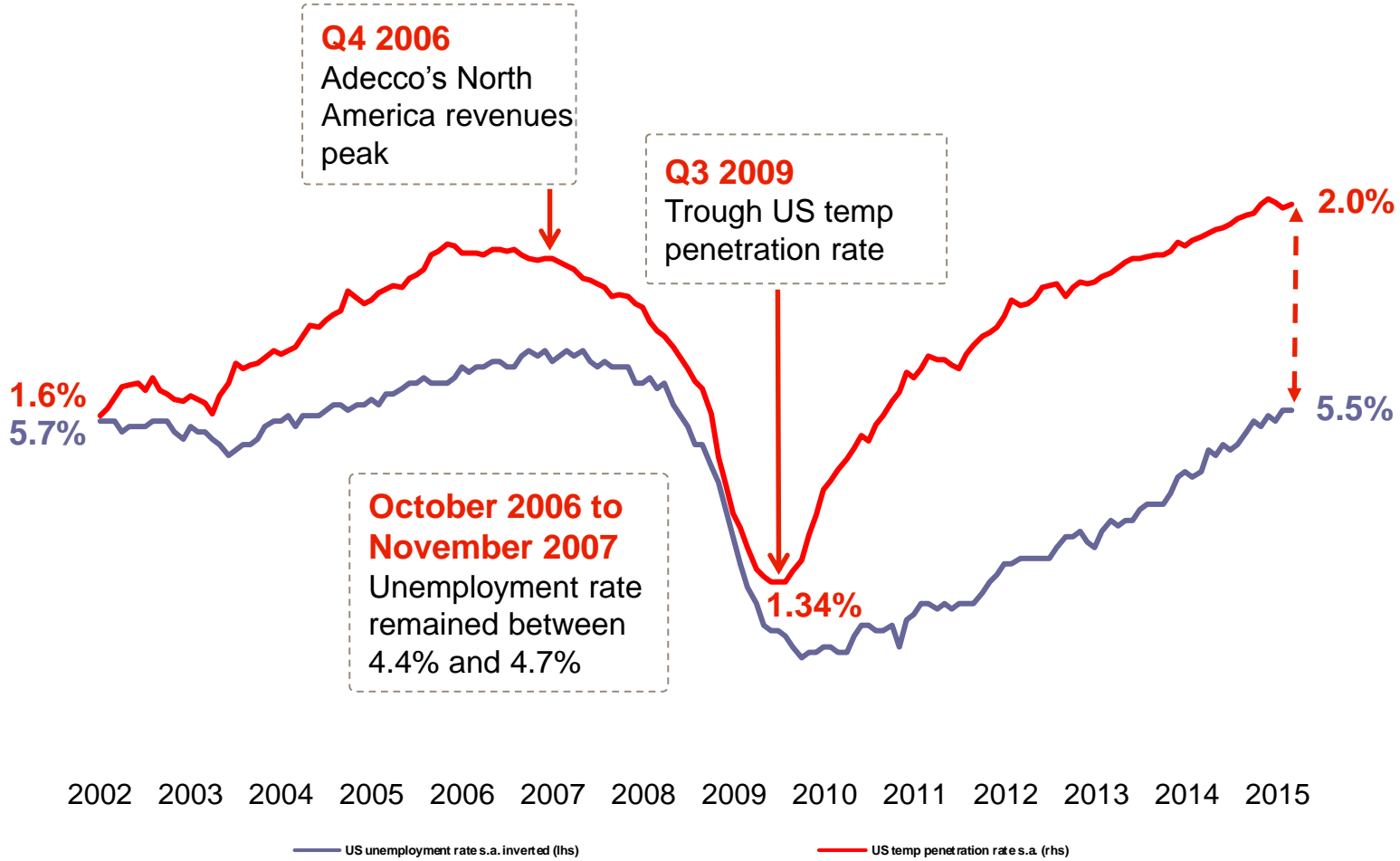
Our six strategic priorities

We strive to reach an EBITA margin above 5.5% in 2015



Structural shift to temporary staffing in current upturn

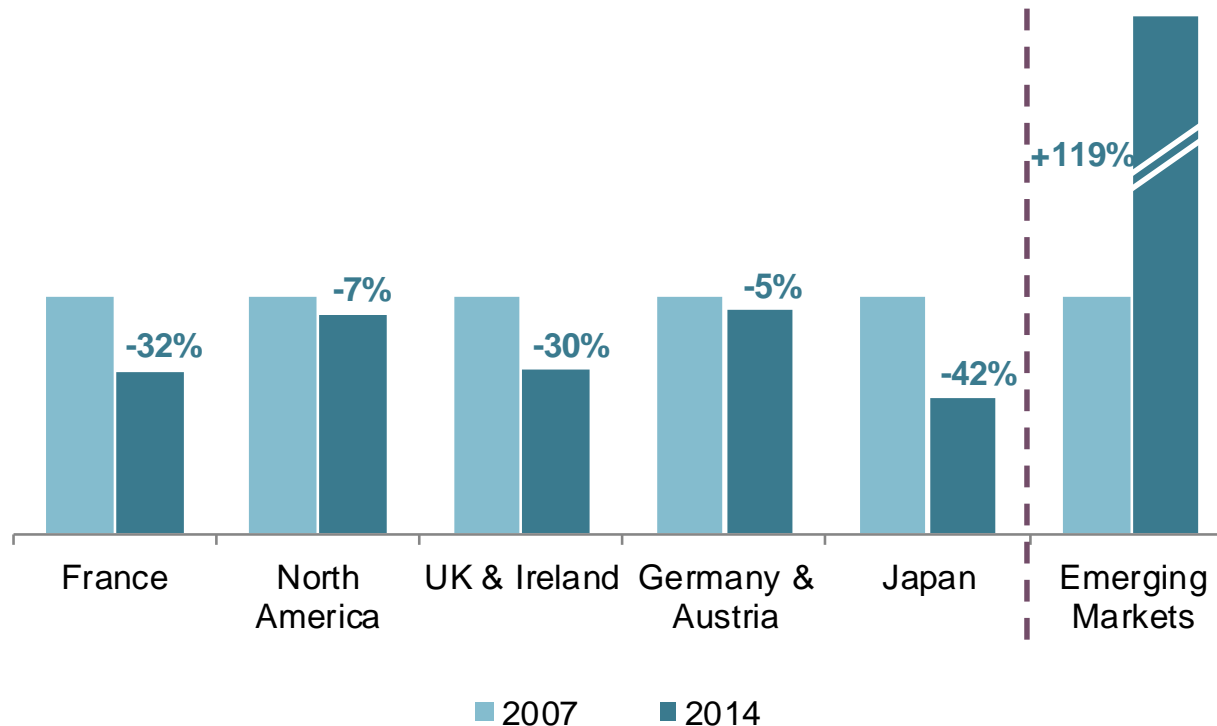
US temporary penetration rate vs. unemployment rate



Source: Bureau of Labor Statistics (BLS).

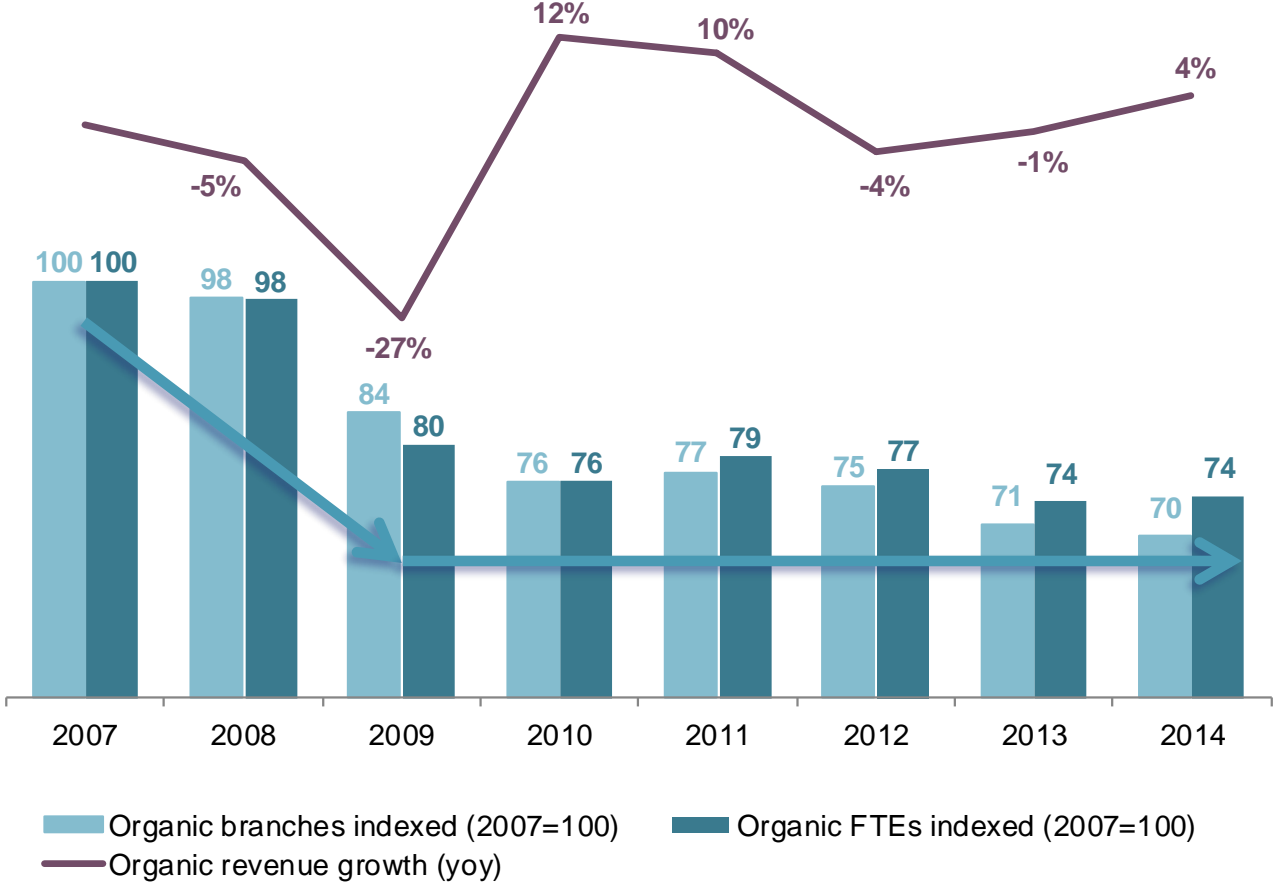
Revenue development since the Group's peak in 2007

Gap against the peak on an organic basis for the main markets



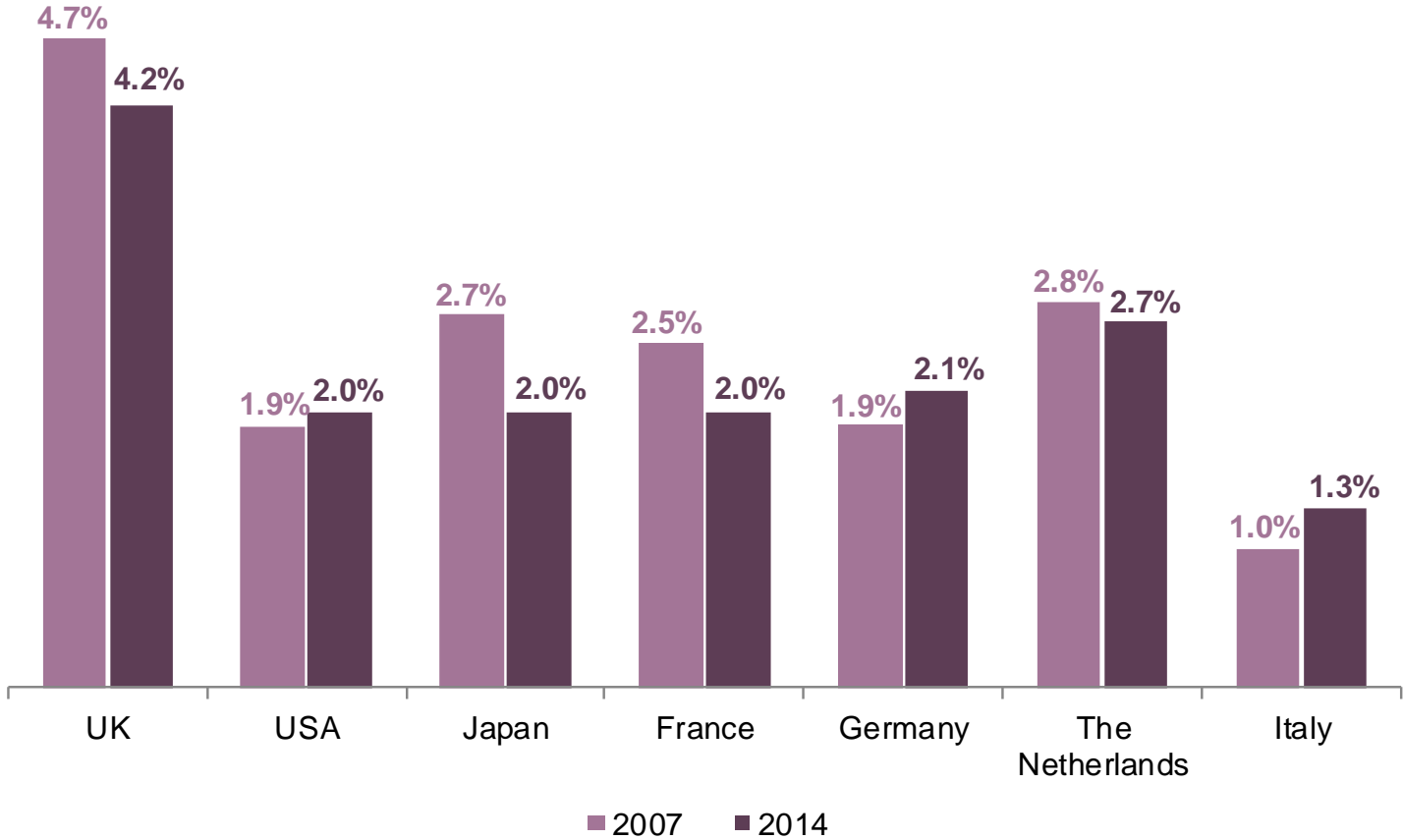
Revenues, branches and FTEs

Organic development (indexed)



Penetration rates

Main markets



Source: Eurociett, Bureau of Labor Statistics and Adecco estimate.

Revenues and EBITA by segment

FY 2014 vs. FY 2013

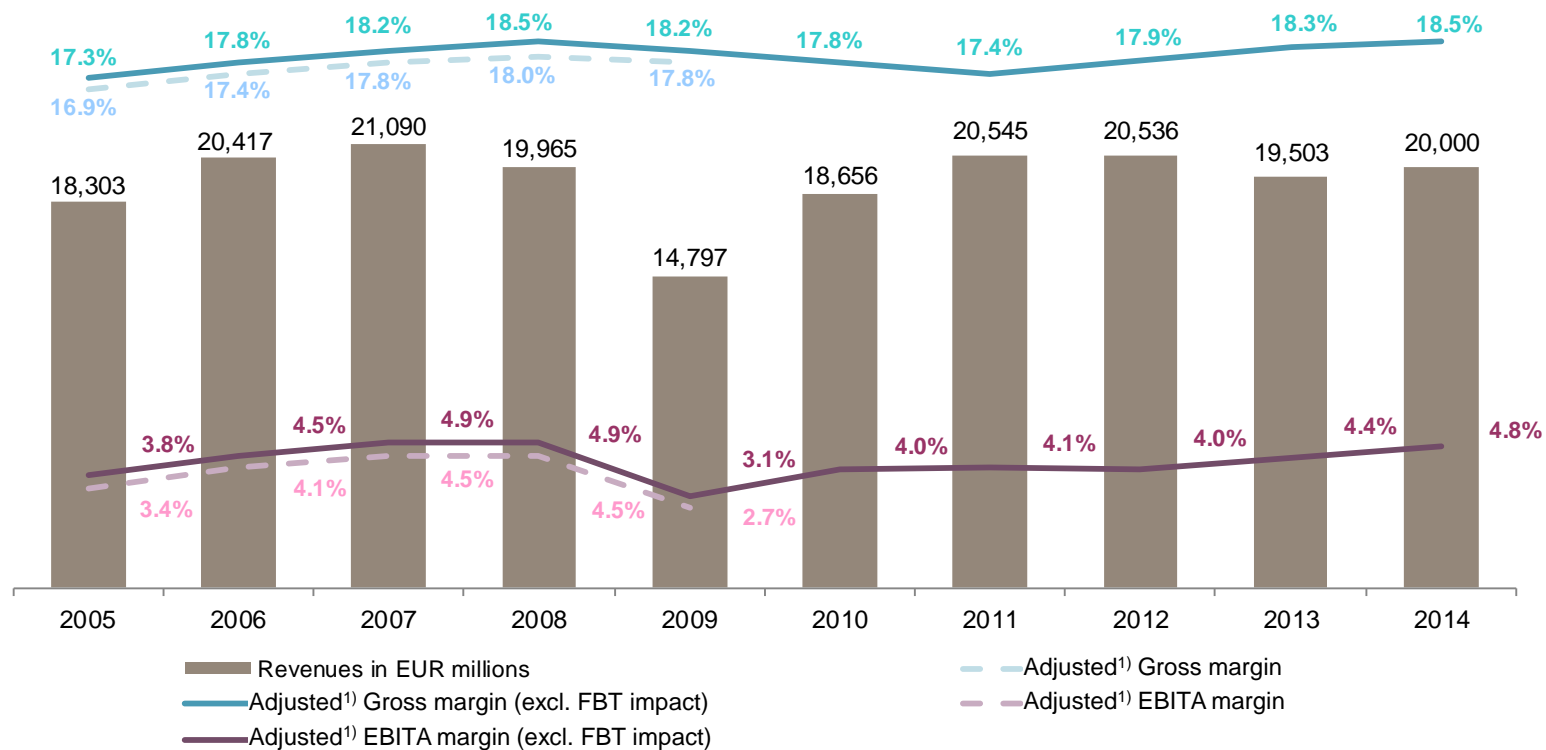
| % of revenues | Revenues | | EBITA excluding restructuring costs ^{1), 2)} | | | |
|---------------|--------------------------------------|--------------------|---|------------|-------------------|---------------|
| | EUR millions | Organic change yoy | EUR millions | Margin | Margin change yoy | |
| 23% | France ^{1), 2)} | 4,640 | -2% | 284 | 6.1% | 100 bps |
| 19% | North America ^{1), 2)} | 3,854 | 4% | 223 | 5.8% | 110 bps |
| 10% | UK & Ireland ¹⁾ | 2,061 | 3% | 49 | 2.4% | 30 bps |
| 8% | Germany & Austria ²⁾ | 1,687 | 4% | 91 | 5.4% | -10 bps |
| 5% | Japan | 1,032 | 2% | 57 | 5.5% | -40 bps |
| 6% | Italy | 1,098 | 14% | 65 | 5.9% | -10 bps |
| 5% | Benelux | 982 | 6% | 45 | 4.5% | +30 bps |
| 4% | Nordics ¹⁾ | 821 | 6% | 23 | 2.9% | +20 bps |
| 4% | Iberia ¹⁾ | 789 | 19% | 31 | 3.9% | +90 bps |
| 2% | Australia & New Zealand | 350 | -11% | 0 | 0.1% | -180 bps |
| 2% | Switzerland | 427 | 3% | 38 | 8.8% | +50 bps |
| 10% | Emerging Markets ²⁾ | 1,925 | 11% | 69 | 3.6% | +20 bps |
| 2% | LHH ¹⁾ | 334 | 6% | 98 | 29.3% | +110 bps |
| | Corporate | | | (108) | | |
| 100% | Adecco Group^{1), 2)} | 20,000 | 4% | 965 | 4.8% | 40 bps |

1) EBITA excluding restructuring costs in 2013 of EUR 19 million in France, EUR 6 million in North America, EUR 3 million in UK & Ireland, EUR 1 million in Nordics, EUR 2 million in Iberia and EUR 2 million in LHH.

2) EBITA excluding restructuring costs in 2014 of EUR 4 million in France, EUR 18 million in North America, EUR 14 million in Germany & Austria and EUR 1 million in the Emerging Markets.

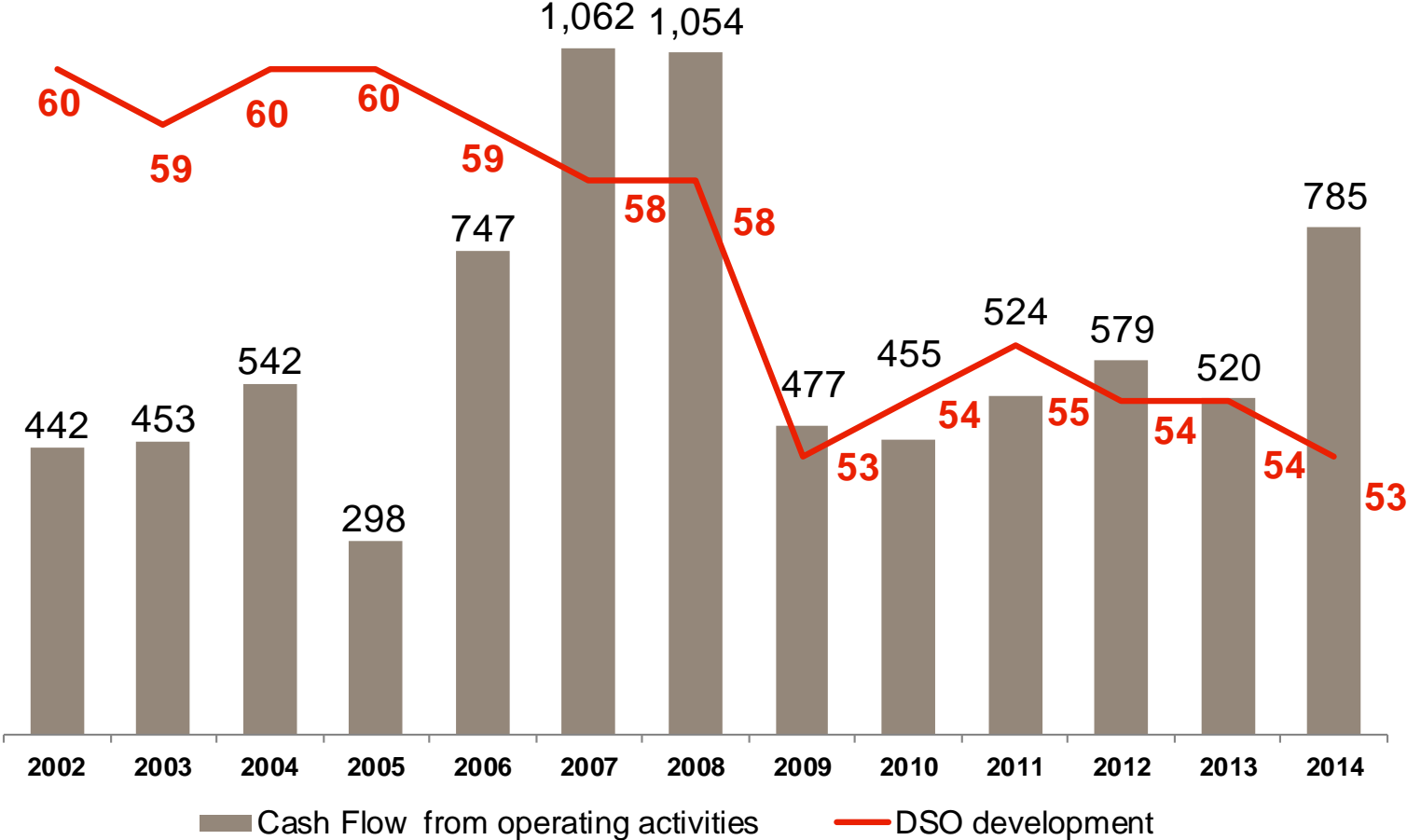
What we have achieved

Financial performance since 2005



1) Please refer to Slide 39 for details on adjustments.

Cash flow and DSO development



Debt, cash & short term investments

As of March 31, 2015

| | Principal at maturity | Maturity | Fixed interest rate | Total in EUR million |
|---|-----------------------|----------|---------------------|----------------------|
| 8-year Swiss Franc fixed rate notes | CHF 125 | 2020 | 2.625% | 120 |
| 6-year guaranteed Euro medium term notes | EUR 400 | 2019 | 2.75% | 400 |
| 7-year guaranteed Euro medium term notes | EUR 500 | 2018 | 4.75% | 497 |
| 5-year Swiss Franc fixed rate notes | CHF 350 | 2017 | 1.875% | 336 |
| 4-year Swiss Franc fixed rate notes | CHF 350 | 2016 | 2.125% | 335 |
| Committed multicurrency revolving credit facility | EUR 600 | 2018 | Variable rate | 0 ¹⁾ |
| French Commercial Paper program | | | | 218 |
| Other | | | | 77 |
| Short & long term debt | | | | 1,983 |
| Cash & short term investments | | | | 924 |
| Net Debt | | | | 1,059 |

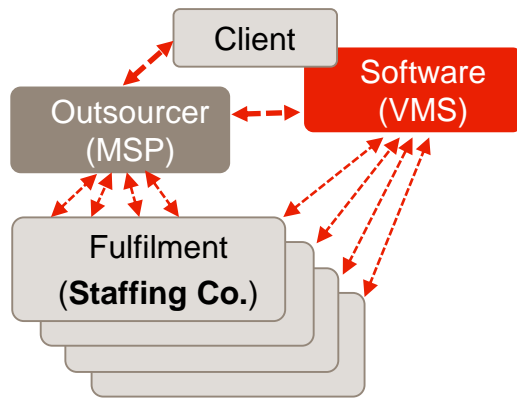
1) EUR 82 million used for letters of credit.

MSP, RPO, VMS...

Can someone help with the definitions please!

Managed Service Programmes (MSP)

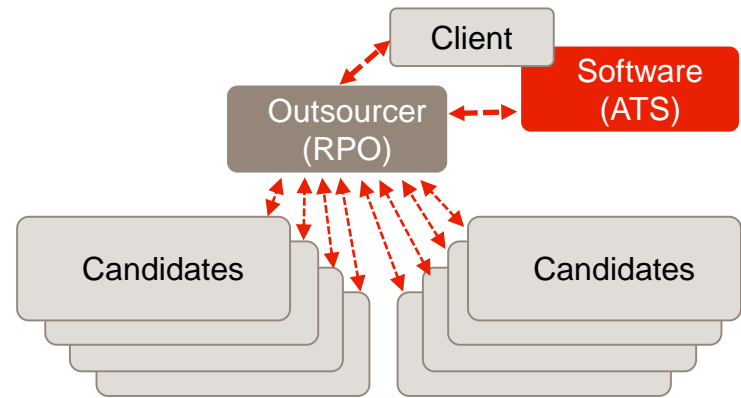
Clients outsource the management of **contingent workforce** to MSPs



- ▶ Outsourced procurement function, distinct from Master Vendor model
- ▶ MSP manages contingent workforce/staffing vendors
- ▶ Mostly works in conjunction with a VMS tool
- ▶ A VMS automates the processes of procuring people from staffing vendors, provides transparency into vendor costs and performance

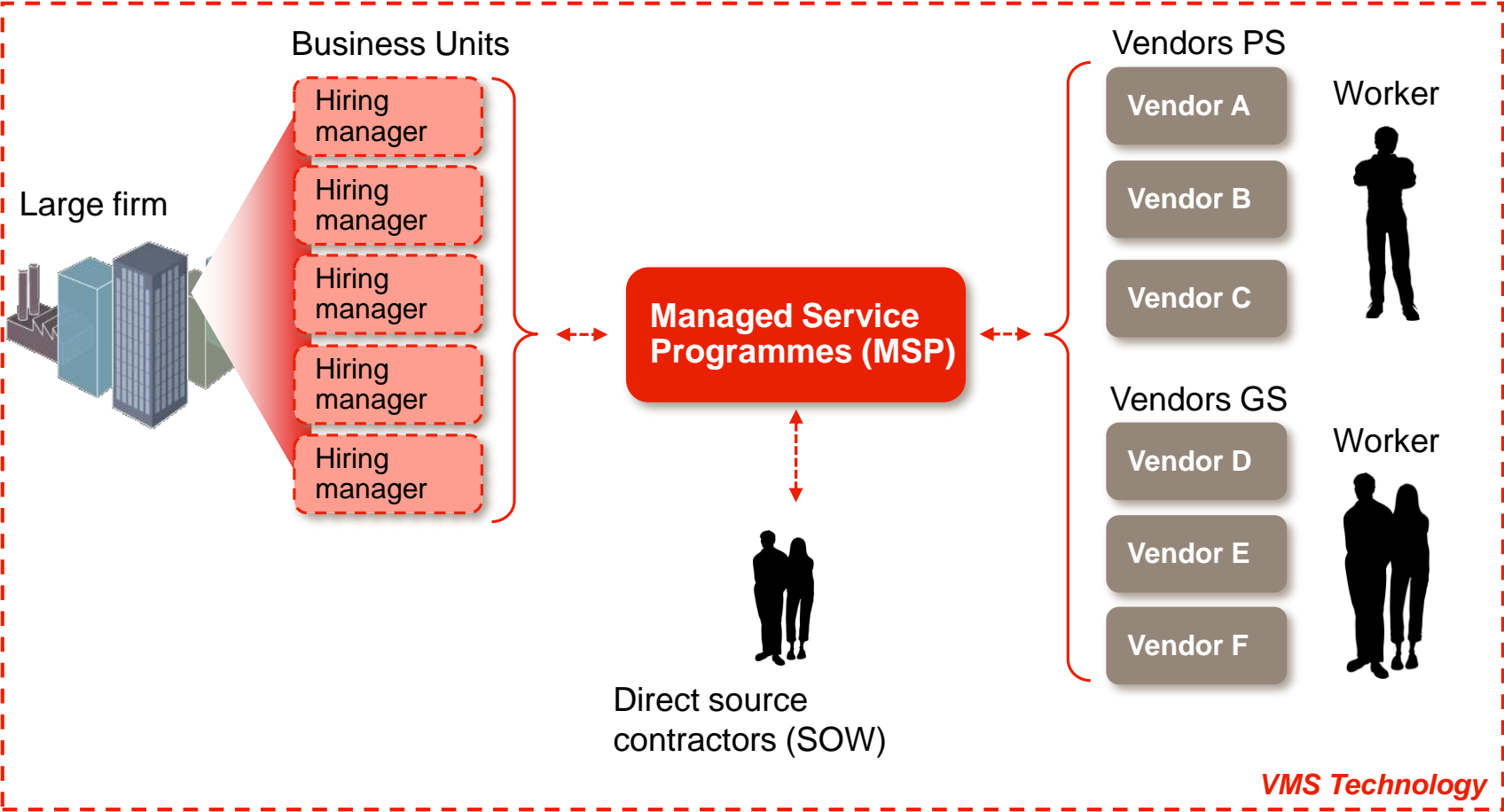
Recruitment Process Outsourcing (RPO)

Clients outsource the **permanent** recruiting process to RPOs



- ▶ Outsourced HR function, distinct from executive search and traditional permanent staffing
- ▶ RPO provides any or all in-house/corporate recruiting department services
- ▶ Mostly works in conjunction with a ATS tool
- ▶ An ATS collects and tracks candidate data, interview scheduling, reporting, provides transparency into candidate pipelining, hiring effectiveness

MSP Programmes manage the staffing supply chain



Notes to slide 34

Details on adjustments

For better comparison, figures for 2005, 2006, 2007, 2008 and 2009 are excluding the impact of the French business tax (FBT), which as of January 1, 2010 was reclassified as income tax under US GAAP.

2005 figures exclude on gross profit the negative impact of the French business tax of EUR 80 million and on EBITA the negative impact of the French business tax of EUR 84 million.

2006 figures exclude on gross profit the negative impact of the French business tax of EUR 86 million and on EBITA the negative impact of the French business tax of EUR 91 million.

2007 figures exclude on gross profit the positive impact of the modified calculation of the French social charges of EUR 172 million and exclude the negative impact of the French business tax of EUR 88 million. 2007 figures exclude on EBITA the positive impact of the modified calculation of the French social charges of EUR 156 million and the negative impact of expenses related to the French antitrust proceedings of EUR 15 million and of the French business tax of EUR 93 million.

2008 figures exclude on gross profit the positive impact of the modified calculation of French social charges of EUR 63 million and from restructuring charges of EUR 8 million as well as the negative impact of the French business tax of EUR 84 million. 2008 figures exclude on EBITA the positive impact of the modified calculation of the French social charges of EUR 63 million, the negative impact associated with headcount reductions and branch optimisation in France and other European countries of EUR 32 million and of the provision for the French antitrust procedure of EUR 19 million and of the French business tax of EUR 89 million.

2009 figures exclude on gross profit the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals and the negative impact of EUR 7 million due to a sales tax accrual in the UK related to prior years and of the French business tax of EUR 61 million. 2009 figures exclude on EBITA the positive impact of EUR 25 million due to favourable developments in France resulting in the reassessment of existing accruals, the negative impact of EUR 7 million due to a sales tax accrual in the UK related to prior years, the negative impact of EUR 121 million associated with restructuring costs and of the French business tax of EUR 65 million.

2010 figures exclude on EBITA the negative impact of EUR 33 million associated with integration costs of MPS in NA and the UK and integration costs of Spring in the UK.

2011 figures exclude on EBITA the negative impact of EUR 20 million associated with integration costs of MPS and DBM.

2012 figures exclude on EBITA the negative impact of EUR 83 million associated with restructuring costs in France and other countries as well as integration costs of EUR 5 million related to DBM.

2013 figures exclude on EBITA the negative impact of EUR 33 million associated with restructuring costs.

2014 figures exclude on EBITA the negative impact of EUR 37 million associated with restructuring costs.