THE ADECCO GROUP

Q3 2017 results

7 November 2017

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 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.

'EBITA' refers to operating income before amortisation and impairment of goodwill and intangible assets.

'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.

Agenda

- Highlights Q3 2017 – Alain Dehaze, Group CEO
- Financial Performance – Hans Ploos van Amstel, Group CFO
- Strategic and Operational Progress – Alain Dehaze, Group CEO
- Questions & Answers

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Highlights Q3 2017

Alain Dehaze

Group CEO

Key highlights from the Q3 2017 results

Q3 2017

- Revenue growth continued, up 6% organically and trading days adjusted
- Q3 EBITA margin 5.4%; including investing in strategic agenda
- Underlying productivity continues, with FTE employees up only 2% organically
- Streamlining of brand portfolio results in one-time, non-cash charge of EUR 129 million
- Strong cash conversion at 93%; strong balance sheet with net debt/EBITDA at 0.8x
- Revenue growth trend in September and October slightly above Q3 2017

Strategic progress

- Investing in IT infrastructure and Digital innovation, including:
  - Launch of 'YOSS', a new platform for freelancers and enterprises, co-created with Microsoft
  - Strengthening our global partnership with Mya Systems
- Buy and Build acquisitions in Professional Staffing and Solutions

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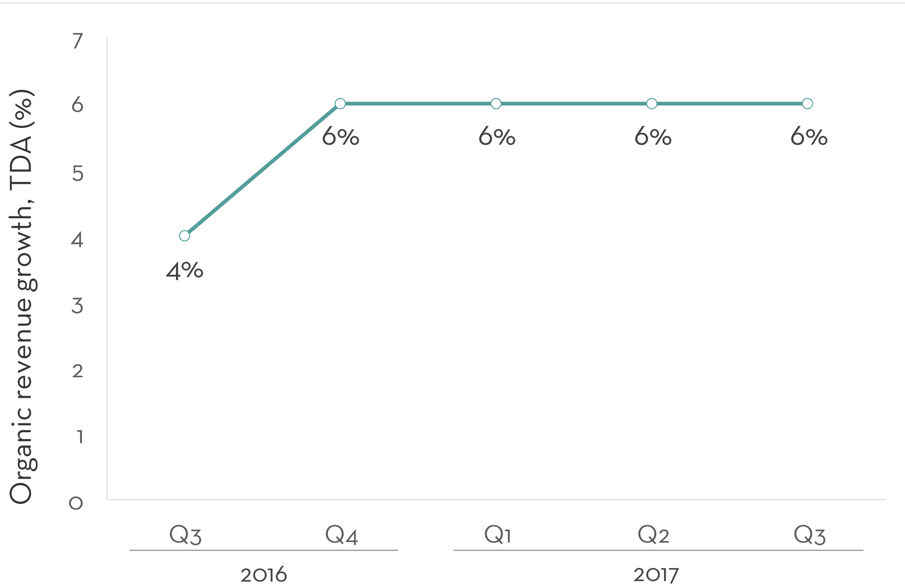
Financial performance

Hans Ploos van Amstel

Group CFO

Positive revenue growth momentum continues

Group revenue growth



- Continuation of revenue momentum
- Double-digit growth in Italy, Iberia, Benelux and Nordics, and UK & Ireland GS

Segment revenue growth

	Organic revenue growth, trading days adjusted	
	Q3 2017	vs market
France	8%	-
NA, UK&I General Staffing	2%	- / +
NA, UK&I Professional Staffing	-2%	+ / -
Germany, Austria, Switzerland	2%	- / =
Benelux and Nordics	11%	+ / +
Italy	25%	=
Japan	4%	=
Iberia	14%	=
Rest of World	6%	=
Lee Hecht Harrison	-5%	+
Adecco Group	**6%**	

+ above market, = in-line with market, – below market

- Market outperformance in UK&I GS, North America PS, Benelux and Nordics, and LHH
- LHH decline reflect counter-cyclical nature of Career Transition

EBITA margin leadership maintained while investing for the future

Group EBITA margin YoY

- In Q3, EBITA margin declined by 10 bps compared to last year, despite good underlying SG&A leverage
- Investments in our strategic initiatives negatively impacted EBITA margin by approximately 25 bps in Q3 2017

Segment EBITA margins YoY

	EBITA margin excluding one-offs	
	Q3 2017	Variance
France	6.7%	(50) bps
NA, UK&I General Staffing	3.3%	(50) bps
NA, UK&I Professional Staffing	5.4%	(60) bps
Germany, Austria, Switzerland	7.1%	(10) bps
Benelux and Nordics	4.6%	0 bps
Italy	8.2%	(10) bps
Japan	6.4%	30 bps
Iberia	5.4%	200 bps
Rest of World	3.7%	100 bps
Lee Hecht Harrison	25.9%	60 bps
Adecco Group	5.4%	**(10) bps**

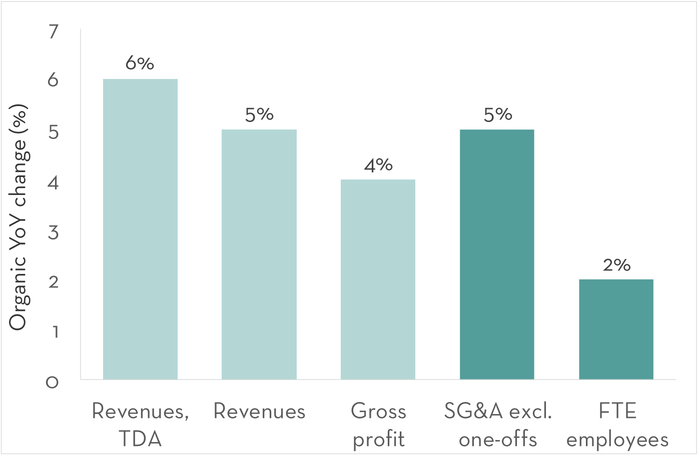
- Investments mainly impacted the EBITA margin in France, NA, UK&I and Benelux and Nordics
- Strong operating leverage in Rest of World and Iberia

Continued strong productivity; underlying gross margin trend unchanged

Gross margin YoY

bps	H1 2017	Q3 2017
Reported	**(40)**	**(20)**
Acquisitions/divestments	(10)	(10)
Currency	10	0
Organic	**(40)**	**(10)**
Temporary staffing	(40)	(20)
Permanent placement	0	10
Career Transition	(10)	(10)
Other	10	10

SG&A productivity



- Q3 2017 temporary staffing gross margin down 20 bps, impacted by price and mix
- Career Transition had a negative impact of 10 bps
- Positive impact from permanent placement and other in Q3 2017

- Full-time equivalent (FTE) employees up 2%
- SG&A growth includes investment in strategic initiatives
- Conversion ratio strong at 29.4%

Strong cash conversion and strong balance sheet

Cash conversion

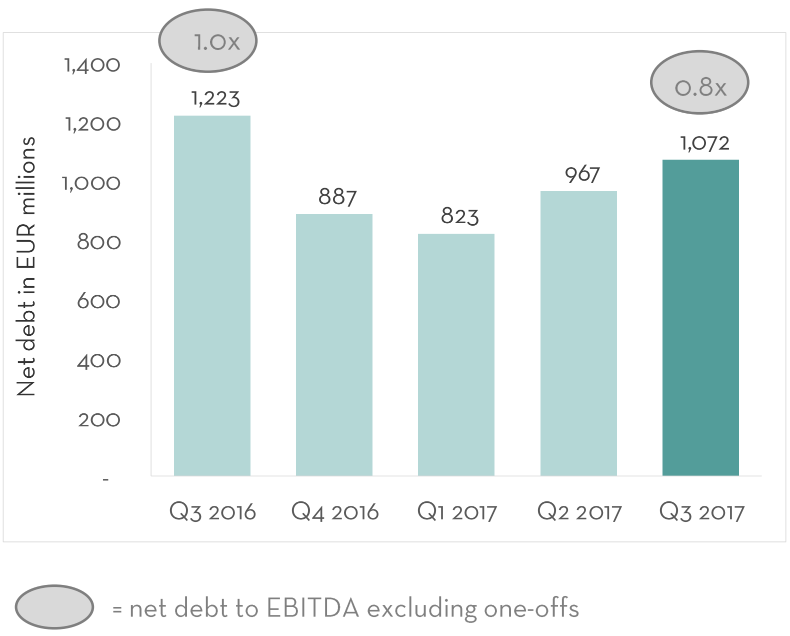
- Solid cash flow generation
- Cash flows from operations of EUR 189 million in Q3 2017 vs. EUR 217 million in Q3 2016
- For Q3 2017, cash conversion was 93% for the last four quarters vs. 83% in FY 2016
- DSO 53 days in Q3 2017, compared to 52 days in Q3 2016

Share buyback

- Share buyback programme of up to EUR 300 million launched in March 2017
- As of 31 October 2017, we had acquired 3.08 million shares under this programme for EUR 203 million

Net debt

- Net debt EUR 1,072 million at end of September 2017, vs. EUR 1,223 million end of September 2016
- Net debt to EBITDA excluding one-offs 0.8x at end of September 2017 vs 1.0x at end of September 2016



Growth momentum continues into Q4 2017

Exit rate

- Revenues for September 2017 up 8%, organically and trading days adjusted.
- Positive momentum continued at the start of Q4 2017 but the comparison base is more challenging this quarter.

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Excellent progress on our strategic agenda

PERFORM → TRANSFORM → INNOVATE

YOSS	Launch of new platform for freelancers and enterprises
Mya Systems	Strengthening our global partnership
Buy-and-build acquisitions	BioBridges and Mullin International
Brands	Strengthening brand portfolio with global lead brands

YOSS – a new online freelancer platform, co-created with Microsoft

Freelancers

Enterprises

Guaranteed payment within 72 hours

Best-in-class compliance & data protection

Social benefits and insurance

Visibility of freelancer talent and spending

YOSS

yoss.fr

End-to-end administrative support

Backed by two industry leaders

CMD 2017: strategy refined and financial commitments updated

	Deliver leading Total Shareholder Return		
	Drive revenue growth	**Strengthen margin**	**Deliver strong cash flow**
Our commitments	Accelerate structural organic revenue growth	Drive sustained EBITA margin improvement	Maintain a progressive dividend policy
By 2020	Increase GDP multiplier (from 3x to 4x)	EUR 250m p.a. productivity savings (100bps of revenue)	Achieve continued strong FCF after investments
	Profitable share gains Expanding to 'new frontiers'	Productivity improvements Digital ventures mix benefit	Value-enhancing M&A and/or capital returns

Concluding messages of Q3 2017

- Further progress on Perform, Transform and Innovate agenda
- Positive growth momentum
- Margin leadership continues, while investing in strategic initiatives
- GrowTogether and Digital Ventures support future growth and margins
- Ranked 2nd in the Great Place to Work® - World's Best Workplaces 2017

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Key Dates 2017

Date	Event
1 March 2018	Q4 2017 results
19 April 2018	Annual General Meeting
8 May 2018	Q1 2018 results
9 August 2018	Q2 2018 results
6 November 2018	Q3 2018 results

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