THE ADECCO GROUP

Q4 and FY 2018 results

February 2019

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.

'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 Q4 & FY 2018 – 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 Q4 2018

Alain Dehaze

Group CEO

Key highlights from the Q4 & FY 2018 results

Q4 2018

- Revenues down 1% trading days adjusted, driven by European market slowdown
- Continued strong permanent placement growth, revenues up 18% organically
- EBITA margin excluding one-offs 4.8%, up 20 bps yoy; positive underlying development and favourable non-recurring items offset strategic investments and impact of German integration
- Goodwill impairment in Germany (EUR 270 million) and Executive Committee changes

FY 2018

- Revenues up 3% yoy organically and TDA, with significant deceleration in H2
- EBITA margin excluding one-offs 4.5%, down 40 bps yoy; underlying trend improved in H2
- Strategy and investments on-track: Grow Together driving improved productivity and Net Promoter Score; New Ventures creating portfolio synergies and expanding addressable market
- Proposed dividend per share CHF 2.50

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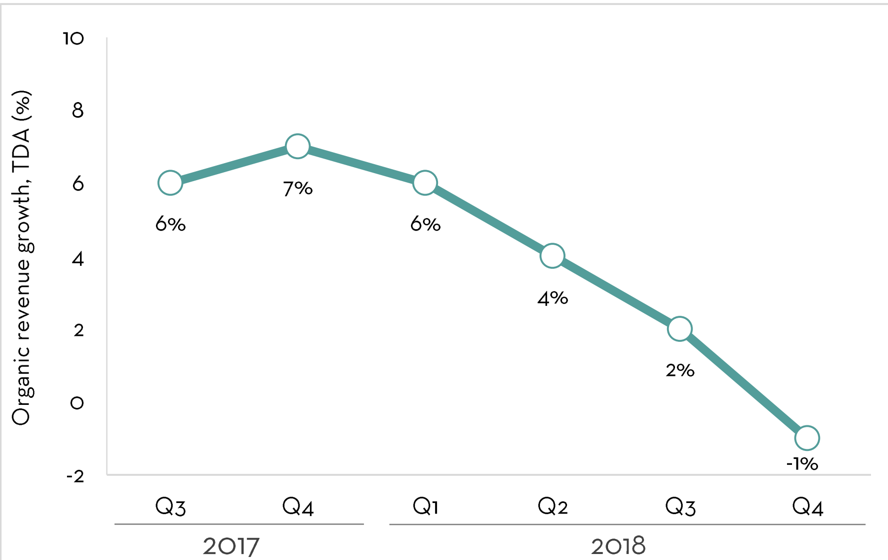
Financial performance

Hans Ploos van Amstel

Group CFO

Organic revenues declined in Q4 2018, driven by Europe

Group revenue growth



- Growth slowed to -1% organically and trading days adjusted (TDA), driven by Europe
- Positive trading days impact of approx. +1.5%
- Revenues in January 2019 -2% (TDA), volumes in February indicate further slight slowdown

Segment revenue growth

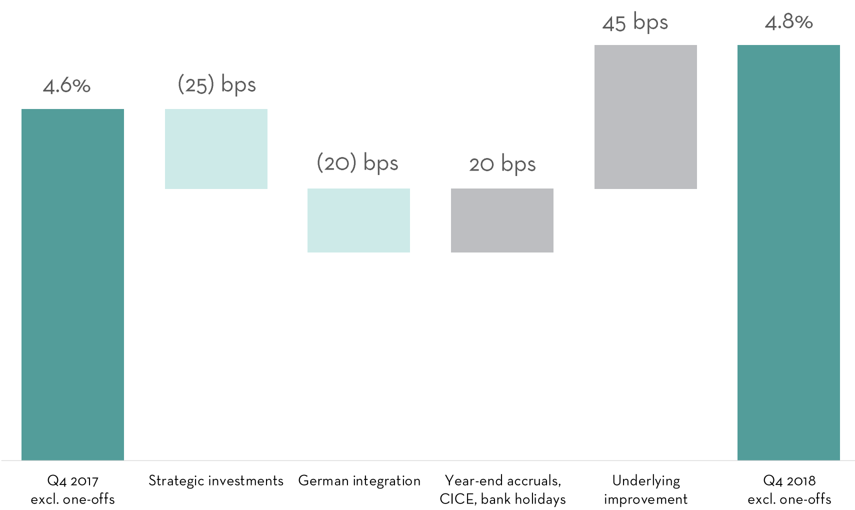
	Organic revenue growth, trading days adjusted	
	Q4 2018	vs market
France	-1%	+
NA, UK&I General Staffing	4%	NA + / = UK&I
NA, UK&I Professional Staffing	-2%	NA = / = UK&I
Germany, Austria, Switzerland	-9%	G&A - / = CH
Benelux and Nordics	-6%	BEN - / = NOR
Italy	1%	+
Japan	6%	=
Iberia	-4%	=
Rest of World	1%	-
Career Transition & Talent Dev.	-1%	+
Adecco Group	**-1%**	

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

- European markets continued to slow in Q4
- Outperformance in France, US General Staffing, Italy and Career Transition
- Underperformance in Germany and Benelux

Strong EBITA margin performance, up 20 bps year-on-year

Group EBITA margin YoY



- EBITA margin excluding one-offs +20 bps YoY
- Underlying improvement +45 bps, including contribution from Grow Together and price/mix
- "Other non-recurring" includes: favourable year-end accruals impact (+40 bps); bank holidays (+10 bps), and CICE (-30 bps)

Segment EBITA margins YoY

	EBITA margin excluding one-offs	
	Q4 2018	Variance
France	7.4%	110 bps
NA, UK&I General Staffing	3.8%	80 bps
NA, UK&I Professional Staffing	6.3%	30 bps
Germany, Austria, Switzerland	1.0%	(150) bps
Benelux & Nordics	2.2%	(50) bps
Italy	8.3%	110 bps
Japan	6.7%	80 bps
Iberia	6.2%	40 bps
Rest of World	4.0%	60 bps
Career Transition & Talent Dev.	13.1%	(1,790) bps
Adecco Group	4.8%	**20 bps**

- Broad-based margin improvement, supported by Grow Together productivity programme
- Germany, Austria, Switzerland: operating deleverage and impact of regulations
- CTTD includes consolidation of General Assembly

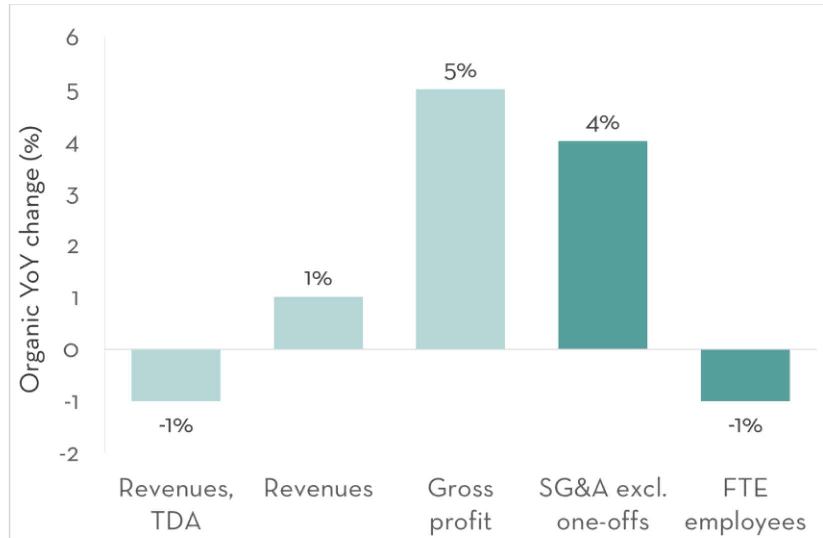
Gross margin benefits from non-recurring items and positive price/mix

Gross margin YoY

bps	Q3 2018	Q4 2018
Reported	**20**	**120**
Acquisitions/divestments	30	30
Currency	0	10
Organic	**(10)**	**80**
Temporary staffing	(30)	70
Permanent placement	30	30
Career Transition	(10)	(10)
Other	0	(10)

- Q4 2018 reported gross margin up 120 bps; M&A adding +30 bps, currencies +10 bps
- Organic gross margin +80 bps
- Temp staffing gross margin +70 bps with CICE impact in France (-30 bps) offset by positive price/mix effects (+30 bps), bank holidays timing (+10 bps) and favourable year-end accruals (+60 bps)

SG&A productivity



- Full-time equivalent (FTE) employees down 1% organically
- SG&A +4% organically, including approximately +1% from strategic initiatives
- Higher permanent placement commissions, year-end accruals and business mix also impacted organic SG&A

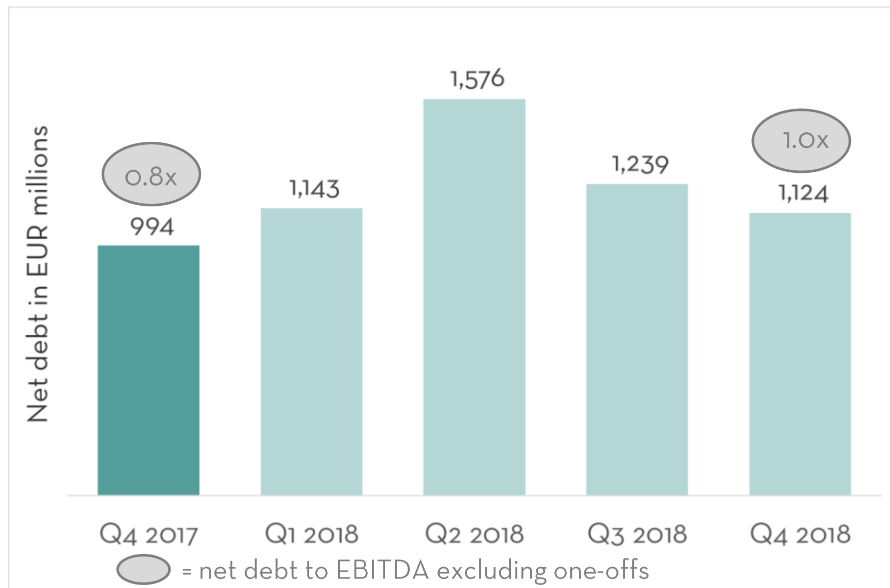
Strong balance sheet and cash flow

Cash conversion

- Cash flows from operations of EUR 243 million in Q4 2018, compared to EUR 197 million in Q4 2017
- For Q4 2018, cash conversion was 84% for the last four quarters, compared to 81% in FY 2017
- DSO 53 days in Q4 2018 down from 54 days in Q3 2018 and up from 52 days in Q4 2017

Net debt

- Net debt EUR 1,124 million at end of December 2018 vs EUR 1,239 million at end of September 2018
- Net debt/EBITDA excluding one-offs 1.0x at year-end, vs 1.1x at 30 September 2018 and 0.8x at 31 December 2017
- Current share buy back (EUR 150 million) to be completed during March



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Outlook

- Revenues in January 2019 -2% (TDA), with volumes in February slightly decelerating
- Grow Together forecast to deliver next EUR 70 million savings in 2019
- Investments in New Ventures impact H1 margins but neutral for FY19

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Strategic and operational progress

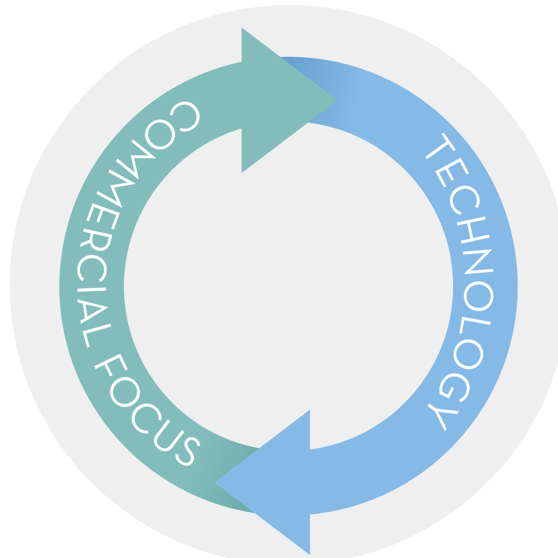
Alain Dehaze

Group CEO

North America General Staffing – commercial focus and technology

FY18 performance

- Segmentation
- Permanent Placement
- Performance Mgt. (Pricing, KPI governance, ...)



- Advanced CRM
- Chatbots
- Market & recruitment intelligence insights

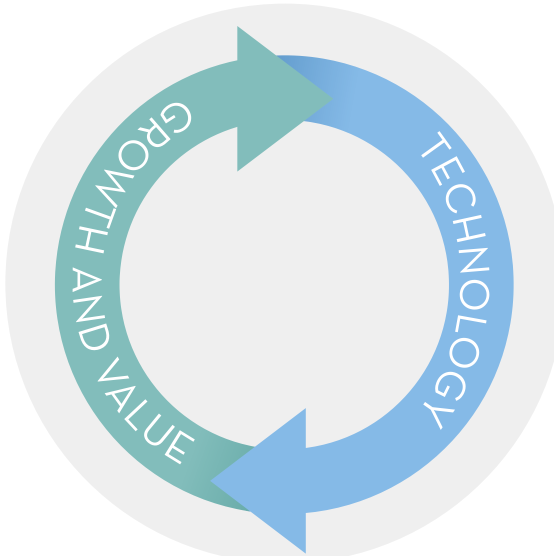
Client NPS	Revenue growth	GP/FTE	EBITA margin*
+14	+2% TDA (after -2% and -3% in 2016 and 2017)	+6% Organically	+20bps (while continuing to invest)

* excluding one-offs

France – value strategy and technology

FY18 performance

- Product Mix (CDII, Perm, Apprentices)
- Data Analytics



- Candidate app
- Client portal
- Document digitisation

Candidate App	Revenue growth	Perm	EBITA margin*
more than 150,000 monthly active users	+5% TDA (+250bps vs the market)	+22% Organically	-10bps (+20bps yoy excluding CICE and incremental investments)

* excluding one-offs

Concluding messages of Q4 & FY 2018

- Good strategic progress in Q4 and FY 2018
- Executing well in a challenging European market context
- Good underlying profitability improvement, driven by GrowTogether
- Continued investment in the Perform, Transform, Innovate strategy in 2019

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Key Dates 2019

Date	Event
7 May 2019	Q1 2019 results
8 August 2019	Q2 2019 results
5 November 2019	Q3 2019 results

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