THE ADECCO GROUP

Q1 2020 Results

May 2020

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 – Q1 2020

- COVID-19 Update
- Key Highlights Q1 2020
- Financial Performance
- Outlook
- Concluding Messages
- Q&A

COVID-19 Response: Supporting our people, clients, candidates and communities

Employees

- **80% of employees globally working from home**, enabled by recent IT investments
- **Wellbeing support to all employees:** @home workouts for physical fitness; "Ask the Doctor" channel for fact-based information; regular engagement surveys; psychological support
- **Short-time working & furlough measures** to secure employment for our people
- **Voluntary executive salary** reductions at CEO, CEO -1 and CEO -2 levels

Clients

- **Full business continuity for clients,** ~80% positive feedback[1]
- **Tailored client solutions:**
  - **Safety at Work:** health and safety protocols for the "physical distancing economy"
  - **Smart Working:** Assessment of WFH environment; virtual end-to-end recruitment solutions
- **New Skills for the New Normal:** Virtual re/up-skilling programmes
- **Partnered Rebound:** leadership coaching, workforce transformation solutions

Candidates and Associates

- **Virtual recruitment** to maintain candidate engagement
- **>400,000 associates at work** through the crisis; facilitating short-time work for many more
- Developed a custom **"Covid-19 Protect" app**, providing health and safety info for Associates; includes e-learning on staying safe and healthy at work
- **Free access to webinars and training courses** from LHH and GA to support reskilling, productivity in remote working, and holistic wellbeing

Communities

- **Founding member of the HR services alliance** to develop clear health and safety protocols to support a safe return to the physical workplace for workers everywhere
- CHF300k contribution to Plan International to focus on **preventing domestic violence**
- CHF100k contribution to the International Committee of the Red Cross to its **global Covid-19 response** specifically for people with disabilities

The Adecco Group COVID-19 Guiding Principles

People first
Be there for our clients
Strategic continuity with agile management

1) Internal Adecco Group Customer Survey, April 2020

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Key highlights – Disciplined focus and strategic continuity through the crisis

PERFORM	• Ensured business continuity and safety of colleagues and customers as crisis unfolded • Revenues down 9%, organically and TDA, with material slowdown in March (-19%) • Gross margin resilient, +20 bps yoy to 19.3%, supported by leadership in LHH • EBITA margin excl. one-offs at 3.0%, down 100 bps (-80 bps organically)
TRANSFORM	• GrowTogether investments and progress continue: ○ New front-office tool (InFO) deployed in Japan in Q1; France and Spain in Q2 ○ Leveraging PERFORM method to keep teams engaged while working from home ○ Building the product pipeline for 2021
INNOVATE	• Continued investment of approximately 30 bps of margin in the Ventures • Ventures are influenced by the crisis in short-term but long-term opportunity significant • Leveraging tech across Adecco Group (e.g. Adia+Adecco crisis scale-up for US Food Retailer)
BALANCE SHEET AND LIQUIDITY	• ND/EBITDA at 0.3x with long debt maturity profile and limited near-term refinancing needs • Strong liquidity: EUR 1.4 billion cash plus undrawn EUR 600 million committed RCF • Counter-cyclical working capital dynamics cushion earnings headwinds • Share buyback on hold due to COVID-19 crisis

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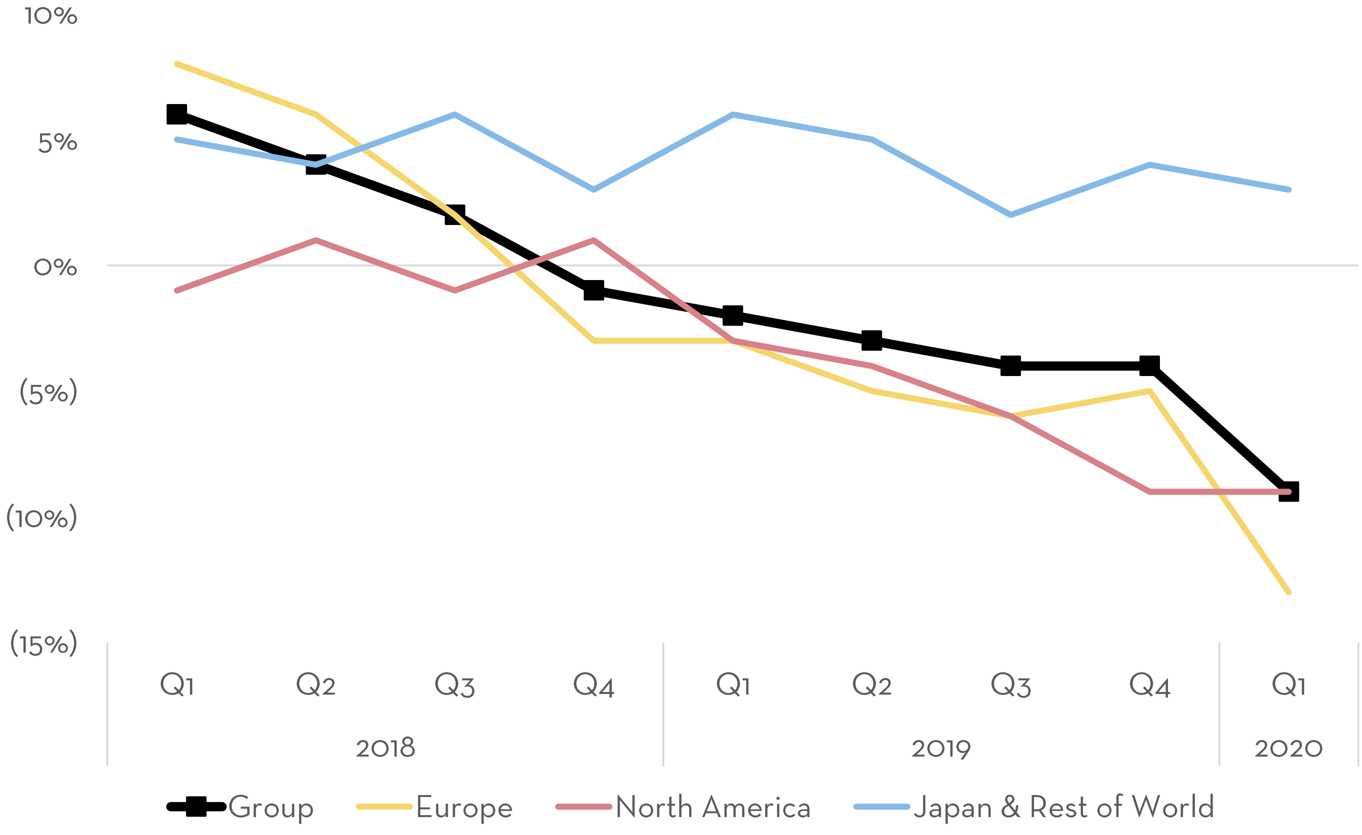
Jan/Feb revenue trend in line with Q4 2019; material COVID-19 impact in March

Revenue growth development by region, organic and TDA (% YoY)



- Group revenues declined by -9% TDA, with Jan/Feb -4% and March -19%
- Europe experienced a sharp drop to -13% TDA, driven by government lock-downs across many countries during March
- North America stable trend in Q1 at -9% TDA; underlying improvement offset by Covid-19 impact in late March
- Japan and Rest of World growth remained solid at +3% TDA

April revenue trends below Q1 as COVID-19 impact intensified

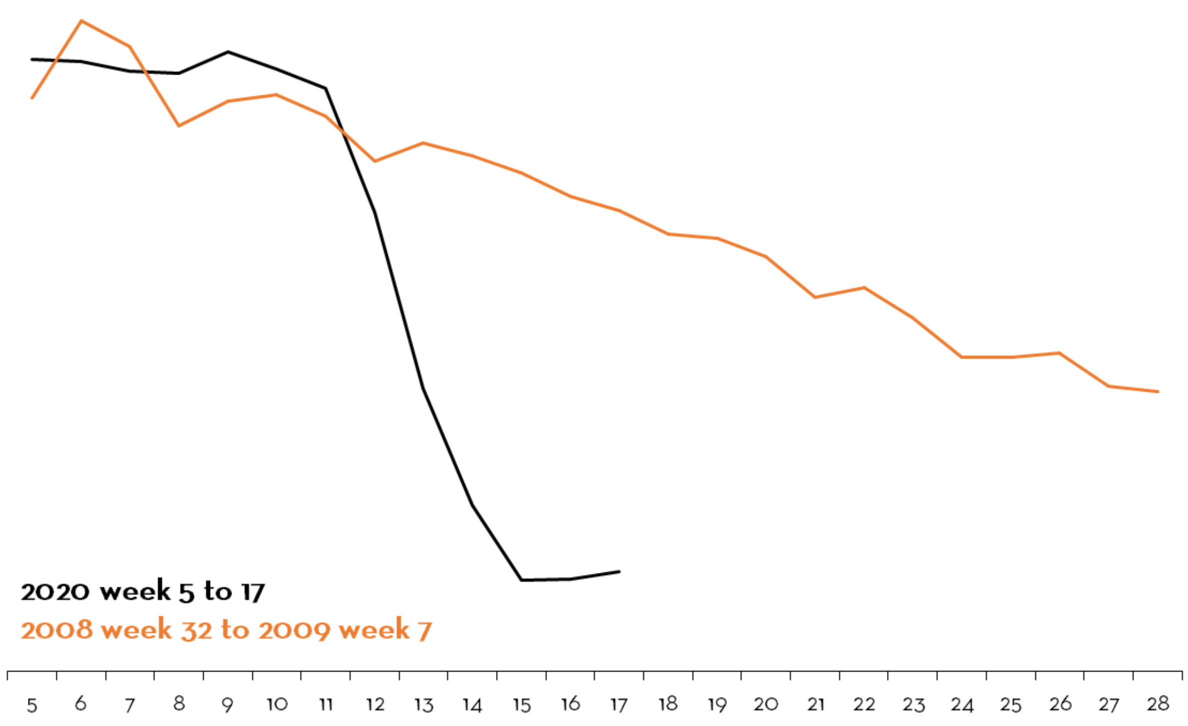
Segment organic revenue growth, trading days adjusted (%YoY) vs. market

	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	April	Weekly Trend
France	-1%	-3%	-6%	-3%	-14%	Down 50-60%	
NA, UK&I General Staffing[1]	1%	-2%	-6%	-10%	-15%	NA 20-30% / 20-30% UK&I	
NA, UK&I Professional Staffing[1]	-4%	-3%	-4%	-5%	-13%	NA 20-30% / 30-40% UK&I	
Germany, Austria, Switzerland	-10%	-15%	-14%	-11%	-14%	G&A 40-50% / 30-40% CH	
Benelux & Nordics	-6%	-7%	-7%	-9%	-15%	BEN 40-50% / 30-40% NOR	
Italy	-4%	-6%	-6%	-6%	-6%	Down 40-50%	
Japan	8%	12%	9%	8%	8%	Up 0-10%	
Iberia	-4%	4%	6%	6%	1%	Down 30-40%	
Rest of World	4%	2%	-2%	1%	1%	Down 10-20%	
Career Transition & Talent Dev.	0%	-1%	10%	10%	4%	Down 10-20%	
Adecco Group	**-2%**	**-3%**	**-4%**	**-4%**	**-9%**	**Down c.40%**	

1) 2019 growth rates for NA, UK&I General Staffing and NA, UK&I Professional Staffing have been restated to confirm with the current period presentation

Speed and depth of downturn is unprecedented

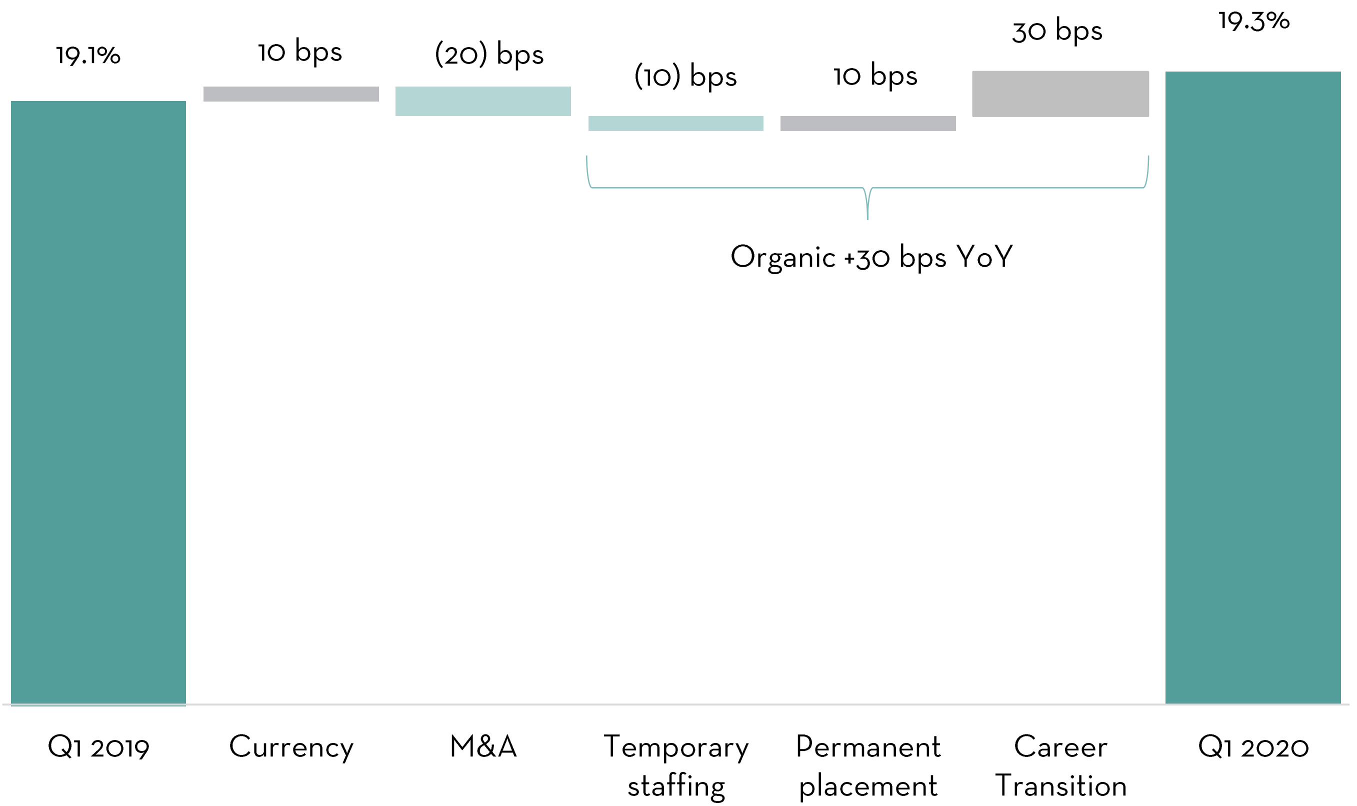
Weekly temp volume evolution (% YoY) compared to 2008/09 downturn



- Decline is significantly more rapid than in 2008/09 due to government mandated shutdowns
- April trends show evidence of stabilisation at a low level

Strength and breadth of portfolio supported positive gross margin development

Q1 2020 gross margin drivers (year-on-year as % of revenues)



- Gross margin up 20 bps YoY on a reported basis and up 30 bps organically
- Temp staffing price/mix was neutral, reduction in temp margin driven by higher bench costs relating to COVID-19, mainly in Germany
- Perm had a positive impact for 10 bps
- Counter-cyclical Career Transition added 30 bps

EBITA margin declined due to abrupt March sales drop and investments

Q1 2020 EBITA margin drivers (year-on-year as % of revenues, excluding one-offs)

- EBITA margin excluding one-offs decreased 100 bps year-on-year
- Organically, excluding the impact of the divestment of Soliant, EBITA margin excl. one-offs decreased 80 bps year-on-year
- The sudden slowdown resulting from COVID-19 containment measures did not allow for a corresponding adjustment of the SG&A

Pace of revenue decline drives lower margins in most regions

Development of segment EBITA margins excluding one-offs

	Q1 2020	Change YoY
France	4.8%	(80) bps
NA, UK&I General Staffing	1.7%	(100) bps
NA, UK&I Professional Staffing	3.1%	(160) bps
Germany, Austria, Switzerland	-0.6%	(220) bps
Benelux & Nordics	0.7%	(180) bps
Italy	5.9%	(170) bps
Japan	6.6%	(80) bps
Iberia	3.7%	(140) bps
Rest of World	4.1%	80 bps
Career Transition & Talent Dev.	16.2%	40 bps
Adecco Group	**3.0%**	(100) bps

- Margins impacted in most regions by abrupt revenue declines in March, relating to COVID-19
- Higher bench costs in Germany and Nordics have meaningful impact
- NA, UK&I Professional Staffing includes (130) bps from divestments; broadly stable on underlying basis
- Japan margin strong; YoY decline due to IT investments
- CTTD supported by growth in LHH and General Assembly

SG&A: flat organic development, including continued investments in GrowTogether and digital

SG&A productivity

- SG&A excluding one-offs flat organically YoY
- GrowTogether programme continued, with increased investments in new IT technology
- Ventures investments remained at around 30 bps of margin
- Gross profit per FTE down 4% organically in Q1, due to the March revenue decline
- FTEs down 3% organically YoY

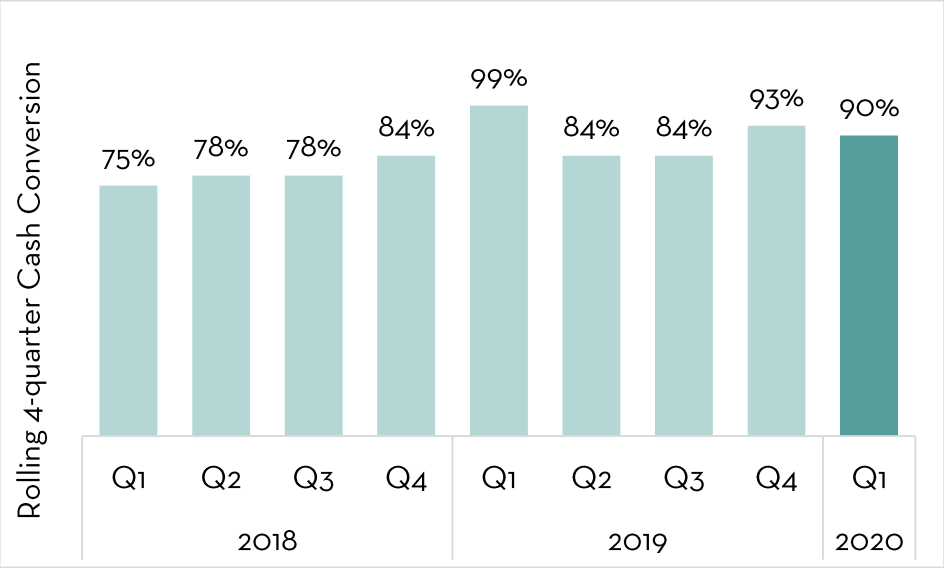
Strong Cash Flow and Balance Sheet

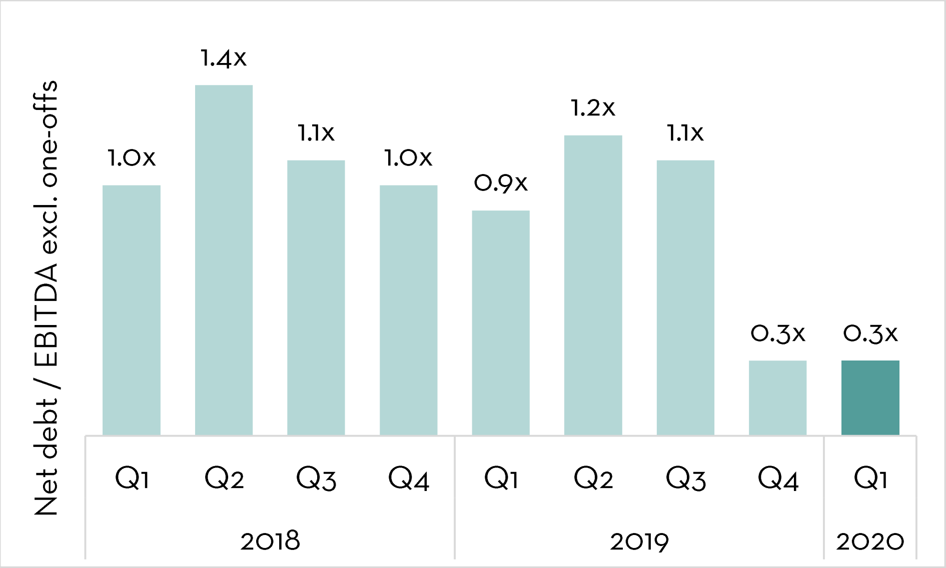
Cash flow

- Cash flow from operations EUR 69 million in Q1 2020, compared to EUR 181 million in Q1 2019; timing of certain payments impacted the YoY working capital comparison
- Cash conversion at 90% (rolling four quarters)
- DSO 53 days in Q1 2020, stable year-on-year

Net debt

- Net Debt/EBITDA excl. one-offs 0.3x at 31 March 2020, stable compared to 31 December 2019
- Net debt EUR 388 million at 31 March 2020, compared to EUR 398 million at 31 December 2019





Strong capital structure and prudent financing policy positions Group well

- EUR 1.4 billion cash on hand, of which 90% managed centrally
- Undrawn EUR 600 million committed Revolving Credit Facility (recently extended by one year to April 2025)
- Debt maturity profile extended in recent years, with limited near-term refinancing requirements (EUR 117 million in Q4 2020 and EUR 278 million Q4 2021)
- No financial covenants on bonds or Revolving Credit Facility
- Investment-grade credit rating (BBB+) and EMTN programme improves market access
- Share buyback paused due to COVID-19 crisis

Outlook Q2

- Intensification of lockdown measures led to a revenue decline of approximately 40% in April 2020, year-on-year organically and trading days adjusted (TDA)
- Weekly trends suggest stabilisation in rate of YoY decline in countries that entered lockdown earliest
- Unprecedented speed of decline impacts profitability in short-term; flexible cost structure allows to protect margin mid-term
- Counter-cyclical working capital dynamics, further supported by phasing of certain tax and social security payments
- Strong balance sheet and liquidity allows us to continue to invest in the Group's strategic priorities

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Concluding Messages

Disciplined focus and strategic continuity through the crisis

PERFORM	• Entered crisis from a position of financial and operational strength • Good liquidity and strong balance sheet; robust IT infrastructure • Minimising impact of crisis in the short-term, while ensuring we leverage the crisis to accelerate structural improvements
TRANSFORM	• GrowTogether investments and progress continue • New tools continue to be launched in Q2 and H2 2020 • Prioritising initiatives with high impact in a remote work environment (e.g. digital PERFORM) • Building the product pipeline for 2021
INNOVATE	• Investments in the Ventures continue at ~30 bps of margin, to emerge stronger from the crisis • Bringing value-added new business offerings to clients, while leveraging the combined strengths of our ecosystem

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Financial calendar

Date	Event
6 August 2020	Q2 2020 results
3 November 2020	Q3 2020 results
2 December 2020	Capital Markets Day

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