THE ADECCO GROUP

UNDERLYING MARGIN PROGRESS IN Q3 2018

Delivering GrowTogether productivity savings while investing in strategic initiatives

Summary and highlights

- Revenue growth 2% organically[1] and trading days adjusted (TDA)
- Continued outperformance in France; revenues up 5% with improved margin trend
- Strong performance in permanent placement, revenues up 19% organically
- Gross margin 18.7%, up 20 bps year-on-year, driven by perm, General Assembly and Vettery
- EBITA[2] margin excluding one-offs[3] 5.0%; underlying productivity gains offset by investments in strategic initiatives (-30 bps yoy) and Germany (-20 bps yoy)
- Net income attributable to Adecco Group shareholders EUR 270 million
- Revenues in September and October combined up 1%, organically and trading days adjusted
- Sale of Beeline stake completed resulting in gain-on-sale of EUR 113 million

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"As we communicated during our September investor seminar, trading in Q3 2018 was challenging, with growth slowing in a number of European markets. Against this backdrop, overall the Group delivered a solid performance. Organic revenue growth was 2%, including improved performances in Japan and Rest of World, and another quarter of significant outperformance in France, our largest market.

Our businesses responded decisively to the slowdown in market growth, making the appropriate cost adjustments to protect our margin. And while ongoing strategic investments and the transformation of our German business impacted the headline EBITA margin, we made good progress in improving underlying profitability. GrowTogether is now scaling up and delivering real results in the markets where it is most progressed, such as the US, UK and France. We will deliver the EUR 50 million productivity savings target in 2018, on the way to EUR 250 million in 2020. And as we do so, we are further differentiating our solutions, building a digitally-enabled offering that will support future growth.

As the Group's digital transformation builds momentum, it is the passion and commitment of our colleagues around the world that is making it a reality. Creating a positive and inspiring work environment is vital to our success. I am therefore delighted to report that the Adecco Group ranked in the top five 'World's Best Workplaces', for the second year running, according to the recently published 2018 Great Place to Work® survey."

Alain Dehaze, Group Chief Executive Officer

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[1] Organic growth is a non-US GAAP measure and excludes the impact of currency, acquisitions and divestitures.
[2] EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.
[3] In Q3 2018, EBITA included one-offs of EUR 4 million, of which EUR 2 million relating to restructuring costs and EUR 2 million relating to acquisition integration costs.

THE ADECCO GROUP

Key figures overview

EUR millions unless stated	Q3 2018	Q3 2017[4]	Change % Reported	Change % Organic	9M 2018	9M 2017[4]	Change % Reported	Change % Organic
Summary of income statement information								
Revenues	**5,996**	5,901	2%	2%[5]	**17,740**	17,603	1%	4%
Gross profit	**1,124**	1,091	3%	1%	**3,264**	3,260	0%	2%
EBITA excluding one-offs	**302**	320	-6%	-2%	**786**	880	-11%	-7%
EBITA	**298**	320	-7%	-3%	**752**	877	-14%	-10%
Net income attributable to Adecco Group shareholders	**270**	123	119%		**570**	491	16%	
Diluted EPS (EUR)	**1.63**	0.73	123%		**3.43**	2.89	19%	
Gross margin	**18.7%**	18.5%	20 bps	(10) bps	**18.4%**	18.5%	(10) bps	(30) bps
EBITA margin excluding one-offs	**5.0%**	5.4%	(40) bps	(30) bps	**4.4%**	5.0%	(60) bps	(50) bps
EBITA margin	**5.0%**	5.4%	(40) bps	(30) bps	**4.2%**	5.0%	(80) bps	(60) bps
Summary of cash flow and net debt information								
Free cash flow[6] before interest and tax paid (FCFBIT)	**222**	233			**597**	706		
Free cash flow (FCF)	**130**	161			**372**	472		
Net debt[7]	**1,239**	1,072			**1,239**	1,072		
Days sales outstanding	**54**	53			**53**	52		
Cash conversion[8]	**78%**	94%			**78%**	94%		
Net debt to EBITDA[9] excluding one-offs	**1.1x**	0.8x			**1.1x**	0.8x		

[4] Due to adoption of ASU 2017-07 - Presentation of net periodic pension and postretirement benefit cost in 2018, the 2017 figures were restated. Components of pension expense other than service cost of a EUR 1 gain in Q3 2017, and a EUR 2 gain in 9M 2017, previously shown in "Selling, general and administrative expenses", are now shown in "Other income/(expenses), net". Additionally, due to the adoption of ASU 2016-18 - Statement of Cash Flows (Topic 230): Restricted cash in 2018, the 2017 figures were restated for changes during the period related to restricted cash.
[5] In Q3 2018, organic revenue growth was 2%, and also 2% trading days adjusted.
[6] Free cash flow is a non-US GAAP measure and comprises cash flows from operating activities less capital expenditures.
[7] Net debt is a non-US GAAP measure and comprises short-term and long-term debt less cash and cash equivalents and short-term investments.
[8] Cash conversion is a non-US GAAP measure and is calculated as last 4 quarters of FCFBIT divided by last 4 quarters of EBITA excluding one-offs.
[9] Net debt to EBITDA is a non-US GAAP measure and is calculated as net debt at period end divided by last 4 quarters of EBITA excluding one-offs plus depreciation.

Q3 2018 financial performance

Group performance overview

Revenue growth was 2% in Q3 2018, organically and trading days adjusted, after 4% growth in Q2 2018. The deceleration was primarily due to lower growth in Europe. Permanent placement remained strong, with revenues up 19% organically. Gross margin increased by 20 bps year-on-year, on a reported basis, and was down 10 bps organically. Temporary staffing gross margin declined by approximately 30 bps, including the impact of lower CICE in France (-15 bps), and price and mix effects (-15 bps). EBITA margin excluding one-offs was down 40 bps year-on-year, due to investments in strategic initiatives (-30 bps) and the ongoing transformation of the Group's activities in Germany (-20 bps). Cash flow from operating activities was EUR 165 million, compared to EUR 188 million in Q3 2017, with rolling four quarters cash conversion at 78%.

Revenues
Q3 2018 revenues were EUR 5,996 million, up 2% on a reported basis compared to Q3 2017. Currency movements had a negative impact of approximately 1% year-on-year, while M&A had a positive impact of approximately 1%. On an organic and trading days adjusted basis revenues increased by 2%. The number of trading days in the quarter were unchanged versus the prior year. Organic growth was broad-based across service lines, with the exception of the counter-cyclical career transition business. Temporary staffing revenues increased by 1% to EUR 5,219 million, permanent placement revenues rose 19% to EUR 145 million, career transition revenues were EUR 80 million, down 6%, and outsourcing and other activities revenues grew 6% compared to the prior year, all on an organic basis. By business line, revenues were up 2% in General Staffing, up 1% in Professional Staffing, and up 3% in Solutions, all organically.

Gross Profit
Gross profit was EUR 1,124 million in Q3 2018, up 3% on a reported basis and up 1% organically. The gross margin was 18.7%, up 20 bps year-on-year. M&A had a 30 bps positive impact, mainly driven by General Assembly and Vettery, while currency fluctuations had a negligible impact. On an organic basis, the gross margin was therefore down 10 bps compared to Q3 2017. This included a 30 bps negative impact from temporary staffing, due to the reduction in CICE in France (-15 bps) and adverse price/mix effects (-15 bps); a 10 bps negative impact from career transition; and a 30 bps positive effect from permanent placement. Outsourcing and other activities had a negligible impact.

Selling, General and Administrative Expenses (SG&A)
SG&A excluding one-offs was EUR 822 million, up 7% year-on-year on a reported basis, of which 5% related to SG&A investments in acquired companies (General Assembly and Vettery). Currency effects reduced SG&A by approx. 1% year-on-year. On an organic basis, SG&A excluding one-offs was down 4% sequentially and up 3% year-on-year. FTE employees were up 1% organically yoy. Branches were up 3% organically, due to growth in Onsite locations. In Q3 2018, one-offs comprised restructuring costs of EUR 2 million and General Assembly integration costs of EUR 2 million.

EBITA
EBITA was EUR 298 million. EBITA excluding one-offs was EUR 302 million, down 6% year-on-year on a reported basis and down 2% organically. EBITA margin excluding one-offs was 5.0%, down 40 bps versus Q3 2017. Strategic initiatives investments had a 30 bps negative impact year-on-year, and ongoing business transformation in Germany had a 20 bps negative impact, partly offset by underlying margin improvement in other regions. GrowTogether programme savings are on track to achieve the EUR 50 million target for 2018. The conversion ratio (EBITA excluding one-offs divided by gross profit) was 26.9% in Q3 2018, down 250 bps compared to Q3 2017. On an organic basis, the conversion ratio was down 100 bps year-on-year, impacted by strategic investments.

Amortisation and impairment of Intangible Assets
Amortisation of intangible assets was EUR 16 million in Q3 2018, compared to EUR 8 million in Q3 2017. The year-on-year increase was primarily attributable to the acquisitions of General Assembly and Vettery. In Q3 2017, a write-down of intangibles of EUR 129 million was recognised, relating to the retirement from use of certain trademarks.

Operating Income
Operating income was EUR 282 million compared to EUR 183 million in Q3 2017.

Interest Expense and Other Income/(Expenses), net
Interest expense was EUR 10 million compared to EUR 12 million in Q3 2017. Other income/(expenses), net was an income of EUR 91 million in Q3 2018, including a gain of EUR 113 million from the sale of the Group's ownership interest in Beeline, and a EUR 25 million expense relating to the establishment of the Adecco Group US Foundation. In Q3 2017, Other income/(expenses), net was an income of EUR 5 million.

Provision for Income Taxes
In Q3 2018, the effective tax rate was 26%, compared to 30% in Q3 2017. In Q3 2018, discrete events reduced the

effective tax rate by approximately 1%.

Net Income Attributable to Adecco Group Shareholders and EPS

Net income attributable to Adecco Group shareholders was EUR 270 million, compared to EUR 123 million in Q3 2017. Basic EPS was EUR 1.63, compared to EUR 0.73 in Q3 2017. The year-on-year increase was mainly attributable to non-recurring items: a gain-on-sale in Q3 2018 and a non-cash write-down of intangibles (trademarks) in Q3 2017.

Cash Flow and Net Debt

Cash flow from operating activities was EUR 165 million in Q3 2018, compared to EUR 188 million in Q3 2017. DSO was 54 days, a slight increase from 53 days in Q3 2017. Capex was EUR 35 million, compared to EUR 27million in the same period in the previous year. Net debt was EUR 1,239 million at 30 September 2018, compared to EUR 1,576 million at 30 June 2018, and EUR 1,072 million at 30 September 2017. Net debt to EBITDA excluding one-offs was 1.1x at 30 September 2018, compared to 1.4x at 30 June 2018 and 0.8x at 30 September 2017.

Q3 2018 segment operating performance

Revenues and revenue growth

	Revenues		Variance			% of revenues
EUR millions unless stated	Q3 2018	Q3 2017	Reported	Organic	Organic TDA[10]	Q3 2018
France	1,457	1,384	5%	5%	5%	24%
N. America, UK & I. General Staffing	736	732	1%	0%	0%	12%
N. America, UK & I. Professional Staffing	851	853	0%	-2%	-2%	14%
Germany, Austria, Switzerland	549	564	-3%	-2%	-2%	9%
Benelux and Nordics	518	536	-3%	-2%	-3%	9%
Italy	484	458	6%	6%	6%	8%
Japan	323	306	5%	4%	4%	5%
Iberia	281	284	-1%	-1%	0%	5%
Rest of World	683	687	0%	6%	7%	12%
Career Transition & Talent Development	114	97	18%	-4%	-4%	2%
Adecco Group	**5,996**	**5,901**	**2%**	**2%**	**2%**	100%

[10] TDA = trading days adjusted

EBITA and EBITA margin excluding one-offs

	EBITA excluding one-offs		EBITA margin excluding one-offs			% of EBITA[12]
EUR millions unless stated	Q3 2018[11]	Q3 2017[4]	Q3 2018	Q3 2017[4]	Variance	Q3 2018
France	95	94	6.5%	6.8%	(30) bps	28%
N. America, UK & I. General Staffing	27	24	3.6%	3.3%	30 bps	8%
N. America, UK & I. Professional Staffing	46	46	5.4%	5.4%	0 bps	14%
Germany, Austria, Switzerland	26	39	4.8%	6.9%	(210) bps	8%
Benelux and Nordics	18	24	3.6%	4.6%	(100) bps	5%
Italy	42	38	8.6%	8.2%	40 bps	13%
Japan	22	19	7.0%	6.4%	60 bps	7%
Iberia	14	15	4.9%	5.4%	(50) bps	4%
Rest of World	28	26	4.0%	3.7%	30 bps	8%
Career Transition & Talent Development	17	26	14.7%	25.9%	(1,120) bps	5%
Corporate	(33)	(31)				
Adecco Group	**302**	**320**	**5.0%**	5.4%	**(40) bps**	100%

[11] In Q3 2018, EBITA included one-offs of EUR 4 million, relating to restructuring and acquisition costs. Restructuring costs included EUR 1 million in N. America, UK&I General Staffing and EUR 1 million in Corporate, while acquisition integration costs included EUR 2 million in Career Transition & Talent Development.

[12] % of EBITA excluding one-offs and before Corporate.

Note: all revenue growth rates in this section are year-on-year on an organic basis, unless otherwise stated

In France, revenues were EUR 1,457 million, up 5%, delivering continued outperformance in a slowing market. Revenues increased by 5% in General Staffing, which accounts for over 90% of revenues, and grew by 8% in Professional Staffing. Revenue growth was broad based, and was driven by manufacturing and automotive. Permanent placement revenues were up strongly, growing 30%. EBITA was EUR 95 million. The EBITA margin was 6.5%, compared to 6.8% in the prior year. Improved product mix and productivity improvements partly offset the impact of strategic investments and a reduction in the CICE tax credit from 7% to 6% of gross wages (approx. 60 bps impact).

In North America, UK & Ireland General Staffing, revenues were EUR 736 million, flat year-on-year. North America, which accounts for approximately 75% of segment revenues, was flat. Growth was impacted by volume reductions at a few large clients and improved towards the end of the quarter as new client wins ramped up. UK & Ireland represents approximately 25% of segment revenues and was down 1%, reflecting generally soft market conditions and a strong growth in the same period of the prior year. Permanent placement revenues were up 5% in North America and up 6% in UK & Ireland. Overall EBITA excluding one-offs was EUR 27 million, representing an EBITA margin of 3.6%, compared to 3.3% in Q3 2017, benefiting from GrowTogether productivity improvements, which more than offset digital investments.

In North America, UK & Ireland Professional Staffing, revenues were EUR 851 million, down 2%. North America represents approximately 65% of revenues and was down 3%. Growth in Finance & Legal and Medical & Science was offset by a decline in IT and Engineering & Technical. UK & Ireland represents approximately 35% of revenues and was up 1%. Permanent placement revenues increased by 21% in North America and by 28% in UK & Ireland. Overall EBITA was EUR 46 million with a margin of 5.4%, stable year-on-year. Underlying margin improvement offset investments in the recently acquired Vettery business.

In Germany, Austria, Switzerland, revenues were EUR 549 million, down 2%. In Germany & Austria, revenues were down 6%, driven by a slowdown in the market, impacted by weakness in the automotive sector and regulation changes, and the consolidation of the Adecco and Tuja general staffing businesses. In Switzerland, revenue growth was 10%, or 12% trading days adjusted. For the region, EBITA was EUR 26 million, with an EBITA margin of 4.8%, compared to 6.9% in Q3 2017. The margin decline was driven by lower productivity, higher bench costs and investments associated with the consolidation of General Staffing operations under one brand in Germany.

In Benelux and Nordics, revenues were EUR 518 million, down 2% or down 3% trading days adjusted. Revenues in Benelux were down 5% or down 6% trading days adjusted. Growth slowed significantly in both the Netherlands and Belgium, due to softer market conditions and reduced demand at a few large clients. In the Nordics, revenues were up 2%, with double-digit growth in Norway partly offset by a low-single-digit decline in Sweden. EBITA was EUR 18 million; an EBITA margin of 3.6%, compared to 4.6% in Q3 2017. The margin was negatively impacted by client mix and negative operating leverage.

In Italy, revenues were EUR 484 million, up 6%, decelerating in-line with the market trend, after eight quarters of double-digit growth. The EBITA margin was 8.6%, up 40 bps year-on-year, positively impacted by improvement in the temporary staffing gross margin and strong growth in permanent placement.

In Japan, revenues were EUR 323 million, up 4%, with growth continuing to be led by strong performances in professional staffing and permanent placement. EBITA was EUR 22 million and the EBITA margin was 7.0%, up 60 bps year-on-year. Positive business mix and improved pricing more than offset ongoing strategic IT investments.

In Iberia, revenues were EUR 281 million, down 1% or flat trading days adjusted, slowing in-line with the market trend. The EBITA margin was down 50 bps to 4.9%, due to increased IT investments and the timing of cost reductions as revenue growth slowed.

In Rest of World, revenues were EUR 683 million, up 6% organically or up 7% trading days adjusted. Revenue growth was 13% in Australia & New Zealand, 17% in Latin America, 7% in Eastern Europe & MENA, while Asia was down 2% and India was down 14%, all trading days adjusted. Rest of World EBITA was EUR 28 million with an EBITA margin of 4.0%, up 30 bps compared to last year's EBITA margin, a result of continued focus on client profitability.

Career Transition and Talent Development (including Lee Hecht Harrison and General Assembly) revenues were EUR 114 million, down 4% organically, reflecting the counter-cyclical nature of Career Transition. EBITA excluding one-offs was EUR 17 million, representing an EBITA margin of 14.7%, compared to 25.9% in Q3 2017. The EBITA margin was negatively impacted by the consolidation of General Assembly.

Update on operational and strategic initiatives

The Adecco Group continues to make progress on its strategic agenda. Recent developments include:

- **Analyst & Investor Seminar provided further clarity on the Group's strategic direction**
  In London, on 19 September 2018, Alain Dehaze and Hans Ploos van Amstel reconfirmed the Group's financial commitments to achieve structurally higher revenue growth, drive sustained EBITA margin improvement, and maintain a progressive and recession-proof dividend. Accompanied by members of the senior management team they presented achievements to date in the 'Perform, Transform, Innovate' agenda, with a particular focus on the strategic initiatives GrowTogether and New Ventures.

  GrowTogether is transforming and digitising the Adecco Group's core business to differentiate its services and take profitable market share. It is focused on three key areas: sales effectiveness, recruiting efficiency and middle- and back-office process optimisation. GrowTogether is expected to reduce SG&A as a percentage of sales by 100 bps by 2020 (when compared to 2016).

  Meanwhile the New Ventures are capturing growth opportunities in adjacent markets, leveraging the Group's competitive assets and the megatrends that are reshaping the world of work. The leaders of General Assembly (upskilling and reskilling), Vettery (online permanent placement) and Adia (online staffing) showcased the evolution of the Group's digital strategy since the 2017 Capital Markets Day.

  Further details can be found here and on the Investors section of the Adecco Group website, under 'Analyst and Investor Seminar 2018'.

- **Sale of remaining ownership interest in IQN/Beeline Holdings ('Beeline') completed**
  In July, the Adecco Group entered into a definitive agreement to sell its remaining 43% ownership interest in Beeline, the leading independent Vendor Management Services (VMS) provider. The transaction completed in August, resulting in a gain on sale of EUR 113 million and cash proceeds of EUR 226 million (before tax).

  The sale brings total proceeds from the disposal of Beeline to more than EUR 310 million (including payments received as part of the merger with IQN, in 2017) and was executed as part of the Adecco Group's strategy to bring more focus and discipline to portfolio management. In the year ended 31 December 2017, and in the first six months of 2018, the Adecco Group did not recognise any earnings relating to its investment in Beeline.

Share buyback programme

The Adecco Group is pursuing its strategic agenda within the context of its ongoing commitment to both invest in the business and to return capital to shareholders. In addition to annual dividend payments, at the end of each year the Group reviews its financial position and excess capital is returned to shareholders.

On 1 March 2018, the Adecco Group announced the launch of a share buyback programme of up to EUR 150 million. Purchases under the new share buyback began in September 2018. As of 2 November 2018, the Adecco Group has acquired 319,500 shares under this programme for EUR 14 million.

Management outlook

Revenue growth in September and October combined was 1%, organically and trading days adjusted.

In France, the transition from CICE to a new system of social charge reductions will result in no subsidies being paid for the month of December. This will have a one-time negative impact on Group gross margin of approximately 25 bps in Q4 2018, in addition to the continuing impact of the reduction of CICE from 7% to 6%, which has been effective since 1 January 2018.

The Group expects to deliver the targeted EUR 50 million GrowTogether productivity savings in 2018.

For further information please contact:

The Adecco Group Investor Relations
investor.relations@adeccogroup.com or +41 (0) 44 878 88 88

The Adecco Group Press Office
media@adeccogroup.com or +41 (0) 44 878 87 87

adeccogroup.com
Facebook: facebook.com/theadeccogroup
Twitter: @AdeccoGroup

Q3 2018 results conference calls

There will be a media conference call at 9.00 am CET and an analyst and investor conference call at 11.00 am CET. The conference calls can be followed either via webcast (media conference, analyst conference) or via telephone call:

UK/Global	+ 44 (0) 207 107 0613
United States	+ 1 (1) 631 570 56 13
Cont. Europe	+ 41 (0) 58 310 50 00

The Q3 2018 results presentation will be available through the webcasts and will be published on the Investor Relations section on the Group's website.

Financial Agenda

- Q4 2018 results 28 February 2019
- Q1 2019 results 7 May 2019
- Q2 2019 results 8 August 2019

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 of 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.

About the Adecco Group

The Adecco Group is the world's leading workforce solutions partner. We provide more than 700,000 people with permanent and flexible employment every day. With more than 34,000 employees in 60 countries, we transform the world of work one job at a time. Our colleagues serve more than 100,000 organisations with the talent, HR services and cutting-edge technology they need to succeed in an ever-changing global economy. As a Fortune Global 500 company, we lead by example, creating shared value that meets social needs while driving business innovation. Our culture of inclusivity, fairness and teamwork empowers individuals and organisations, fuels economies, and builds better societies. These values resonate with our employees, who voted us number 5 on the Great Place to Work® - World's Best Workplaces 2018 list. We make the future work for everyone.

The Adecco Group is based in Zurich, Switzerland. Adecco Group AG is registered in Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN). The group is powered by nine global brands: Adecco, Modis, Badenoch & Clark, Spring Professional, Lee Hecht Harrison, Pontoon, Adia, YOSS and General Assembly.

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Revenues by segment and by business line

Revenues by segment	Q3		Variance %		9M		Variance %	
EUR millions	**2018**	2017	EUR	Constant currency	**2018**	2017	EUR	Constant currency
France	1,457	1,384	5%	5%	4,244	3,949	7%	7%
N. America, UK & I. General Staffing	736	732	1%	0%	2,124	2,230	-5%	1%
N. America, UK & I. Professional Staffing[1)]	851	853	0%	-1%	2,567	2,755	-7%	-2%
Germany, Austria, Switzerland	549	564	-3%	-2%	1,627	1,634	0%	1%
Benelux and Nordics[1)]	518	536	-3%	-2%	1,559	1,531	2%	4%
Italy	484	458	6%	6%	1,482	1,334	11%	11%
Japan[1)]	323	306	5%	5%	948	967	-2%	3%
Iberia	281	284	-1%	-1%	841	796	6%	6%
Rest of World	683	687	0%	6%	2,025	2,081	-3%	5%
Career Transition & Talent Development[1)]	114	97	18%	19%	323	326	-1%	5%
Adecco Group	**5,996**	**5,901**	**2%**	**2%**	**17,740**	**17,603**	**1%**	**4%**

Revenues by business line[2)]	Q3		Variance %		9M		Variance %	
EUR millions	**2018**	2017[4]	EUR	Constant currency	**2018**	2017[4]	EUR	Constant currency
Office	1,350	1,344	0%	2%	4,030	4,200	-4%	1%
Industrial	3,212	3,174	1%	2%	9,456	9,041	5%	6%
General Staffing	**4,562**	**4,518**	**1%**	**2%**	**13,486**	**13,241**	**2%**	**5%**
Information Technology	634	617	3%	3%	1,886	1,975	-5%	-1%
Engineering & Technical	244	268	-9%	-9%	752	802	-6%	-1%
Finance & Legal	258	249	4%	3%	753	752	0%	5%
Medical & Science[3)]	131	111	18%	17%	402	373	8%	14%
Professional Staffing[3)]	**1,267**	**1,245**	**2%**	**2%**	**3,793**	**3,902**	**-3%**	**2%**
CTTD[3)]	114	97	18%	19%	323	326	-1%	5%
BPO[3)]	53	41	29%	29%	138	134	3%	10%
Solutions[3)]	**167**	**138**	**21%**	**22%**	**461**	**460**	**0%**	**6%**
Adecco Group	**5,996**	**5,901**	**2%**	**2%**	**17,740**	**17,603**	**1%**	**4%**

1) In Q3 2018 revenues changed organically in N. America, UK & I. Professional Staffing by -2% (9M:-2%), Benelux and Nordics by -2% (9M:3%), Japan 4% (9M:3%) and in Career Transition & Talent Development by -4% (9M:-6%).

2) Breakdown of staffing revenues into Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal, and Medical & Science is based on dedicated branches. CTTD comprises Career Transition & Talent Development services. BPO comprises Managed Service Programmes (MSP), Recruitment Process Outsourcing (RPO) and Digital.

3) In Q3 2018 revenues changed organically in Medical & Science by 11% (9M:6%), in Professional Staffing by 1% (9M:1%), in CTTD by -4% (9M:-6%), in BPO by 20% (9M:19%) and in Solutions by 3% (9M:0%).

4) Due to the integration of euro engineering into Modis in France, during 2018, the 2017 figures for Engineering & Technical and Information Technology have been restated.

EBITA[1] and EBITA margin by segment

EBITA EUR millions	Q3 2018	Q3 2017[2]	Variance % EUR	Variance % Constant currency	9M 2018	9M 2017[2]	Variance % EUR	Variance % Constant currency
France	95	94	1%	1%	251	257	-2%	-2%
N. America, UK & I. General Staffing	26	24	8%	7%	61	70	-13%	-8%
N. America, UK & I. Professional Staffing	46	46	-1%	-2%	131	157	-16%	-10%
Germany, Austria, Switzerland	26	39	-32%	-32%	28	77	-63%	-63%
Benelux and Nordics	18	24	-25%	-23%	41	57	-28%	-27%
Italy	42	38	11%	11%	121	105	16%	16%
Japan	22	19	16%	16%	68	68	0%	6%
Iberia	14	15	-10%	-10%	43	39	8%	8%
Rest of World	28	26	9%	17%	70	68	3%	12%
Career Transition & Talent Development	15	26	-41%	-41%	63	91	-31%	-26%
Corporate	(34)	(31)	12%	15%	(125)	(112)	12%	19%
Adecco Group	**298**	**320**	**-7%**	**-7%**	**752**	**877**	**-14%**	**-12%**

EBITA margin	Q3 2018	Q3 2017[2]	Variance bps	9M 2018	9M 2017[2]	Variance bps
France	6.5%	6.8%	(30)	5.9%	6.5%	(60)
N. America, UK & I. General Staffing	3.6%	3.3%	30	2.9%	3.2%	(30)
N. America, UK & I. Professional Staffing	5.4%	5.4%	-	5.1%	5.7%	(60)
Germany, Austria, Switzerland	4.8%	6.9%	(210)	1.8%	4.7%	(290)
Benelux and Nordics	3.6%	4.6%	(100)	2.7%	3.7%	(100)
Italy	8.6%	8.2%	40	8.2%	7.8%	40
Japan	7.0%	6.4%	60	7.2%	7.1%	10
Iberia	4.9%	5.4%	(50)	5.1%	4.9%	20
Rest of World	4.0%	3.7%	30	3.4%	3.2%	20
Career Transition & Talent Development	12.9%	25.9%	(1,300)	19.4%	27.8%	(840)
Adecco Group	**5.0%**	**5.4%**	**(40)**	**4.2%**	**5.0%**	**(80)**

1) EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.
2) Due to adoption of ASU 2017-07 - Presentation of net periodic pension and postretirement benefit cost in 2018, the 2017 figures were restated. Components of pension expense other than service cost previously shown in "Selling, general and administrative expenses", are now shown in "Other income/(expenses), net".

Consolidated statements of operations

EUR millions except share and per share information	Q3 2018	Q3 2017[1)]	Variance % EUR	Variance % Constant currency	9M 2018	9M 2017[1)]	Variance % EUR	Variance % Constant currency
Revenues	5,996	5,901	2%	2%	17,740	17,603	1%	4%
Direct costs of services	(4,872)	(4,810)			(14,476)	(14,343)		
Gross profit	**1,124**	**1,091**	**3%**	**4%**	**3,264**	**3,260**	**0%**	**4%**
Selling, general, and administrative expenses	(826)	(771)	7%	8%	(2,512)	(2,383)	5%	10%
EBITA[2)]	**298**	**320**	**-7%**	**-7%**	**752**	**877**	**-14%**	**-12%**
Amortisation of intangible assets	(16)	(8)			(36)	(23)		
Impairment of intangible assets		(129)				(129)		
Operating income	**282**	**183**	**53%**	**55%**	**716**	**725**	**-1%**	**2%**
Interest expense	(10)	(12)			(31)	(38)		
Other income/(expenses), net	91	5			98	8		
Income before income taxes	**363**	**176**	**107%**		**783**	**695**	**13%**	
Provision for income taxes	(93)	(52)			(212)	(202)		
Net income	**270**	**124**	**118%**		**571**	**493**	**16%**	
Net income attributable to noncontrolling interests		(1)			(1)	(2)		
Net income attributable to Adecco Group shareholders	**270**	**123**	**119%**		**570**	**491**	**16%**	
Basic earnings per share[3)]	1.63	0.73	123%		3.44	2.90	19%	
Diluted earnings per share[4)]	1.63	0.73	123%		3.43	2.89	19%	
Gross margin	*18.7%*	*18.5%*			*18.4%*	*18.5%*		
SG&A as a percentage of revenues	*13.8%*	*13.1%*			*14.2%*	*13.5%*		
EBITA margin	*5.0%*	*5.4%*			*4.2%*	*5.0%*		
Operating income margin	*4.7%*	*3.1%*			*4.0%*	*4.1%*		
Net income margin attributable to Adecco Group shareholders	*4.5%*	*2.1%*			*3.2%*	*2.8%*		

1) Due to adoption of ASU 2017-07 - Presentation of net periodic pension and postretirement benefit cost in 2018, the 2017 figures were restated. Components of pension expense other than service cost previously shown in "Selling, general and administrative expenses", are now shown in "Other income/(expenses), net".
2) EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.
3) Basic weighted-average shares were 165,611,795 in Q3 2018 and 165,617,684 in 9M 2018 (168,390,299 in Q3 2017 and 169,385,680 in 9M 2017).
4) Diluted weighted-average shares were 165,906,663 in Q3 2018 and 165,925,172 in 9M 2018 (168,739,689 in Q3 2017 and 169,726,222 in 9M 2017).

Consolidated balance sheets

EUR millions	30 September 2018	31 December 2017
Assets		
Current assets:		
– Cash and cash equivalents	770	958
– Short-term investments		4
– Trade accounts receivable, net	4,562	4,440
– Other current assets	247	187
Total current assets	**5,579**	**5,589**
Property, equipment, and leasehold improvements, net	257	198
Equity method investments	73	173
Other assets	627	668
Intangible assets, net	436	367
Goodwill	3,257	2,895
Total assets	**10,229**	**9,890**
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
– Accounts payable and accrued expenses	4,160	4,066
– Short-term debt and current maturities of long-term debt	346	394
Total current liabilities	**4,506**	**4,460**
Long-term debt, less current maturities	1,663	1,562
Other liabilities	274	286
Total liabilities	**6,443**	**6,308**
Shareholders' equity		
Adecco Group shareholders' equity:		
– Common shares	11	11
– Additional paid-in capital	574	579
– Treasury shares, at cost	(57)	(338)
– Retained earnings	3,519	3,613
– Accumulated other comprehensive income/(loss), net	(269)	(291)
Total Adecco Group shareholders' equity	**3,778**	**3,574**
Noncontrolling interests	8	8
Total shareholders' equity	**3,786**	**3,582**
Total liabilities and shareholders' equity	**10,229**	**9,890**

Consolidated statements of cash flows

EUR millions	Q3 2018	Q3 2017[1]	9M 2018	9M 2017[1]
Cash flows from operating activities				
Net income	270	124	571	493
Adjustments to reconcile net income to cash flows from operating activities:				
– Depreciation and amortisation	37	26	99	80
– Impairment of intangible assets		129		129
– Other charges	(122)	(39)	(120)	(20)
Changes in operating assets and liabilities, net of acquisitions				
– Trade accounts receivable	76	(107)	(104)	(360)
– Accounts payable and accrued expenses	(33)	82	32	204
– Other assets and liabilities	(63)	(27)	6	14
Cash flows from operating activities	**165**	**188**	**484**	**540**
Cash flows from investing activities				
Capital expenditures	(35)	(27)	(112)	(68)
Acquisition of Vettery, net of cash and restricted cash acquired			(77)	
Acquisition of General Assembly, net of cash and restricted cash acquired			(317)	
Acquisition of BioBridges, net of cash acquired		(37)		(37)
Proceeds from disposal of investment in Beeline	226		226	
Cash settlements on derivative instruments	2	5	9	5
Other acquisition and investing activities, net	(3)	(7)	(25)	(13)
Cash flows from/(used in) investing activities	**190**	**(66)**	**(296)**	**(113)**
Cash flows from financing activities				
Net increase/(decrease) in short-term debt	(146)	(21)	294	51
Borrowings of long-term debt, net of issuance costs	87		89	
Repayment of long-term debt			(350)	
Dividends paid to shareholders		(139)	(350)	(374)
Purchase of treasury shares	(1)	(88)	(39)	(188)
Other financing activities, net	(1)	(1)	(1)	(1)
Cash flows used in financing activities	**(61)**	**(249)**	**(357)**	**(512)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**(6)**	**(25)**		**(76)**
Net increase/(decrease) in cash, cash equivalents and restricted cash	**288**	**(152)**	**(169)**	**(161)**
Cash, cash equivalents and restricted cash:				
– Beginning of period	546	1,157	1,003	1,166
– End of period	834	1,005	834	1,005

1) Due to the adoption of ASU 2016-18 - Statement of Cash Flows (Topic 230): Restricted cash in 2018, the 2017 figures were restated for changes during the period related to restricted cash.