THE ADECCO GROUP

STRONG PERFORMANCE IN AN UNCERTAIN ENVIRONMENT

Improving revenue trend and leading margin performance in Q3 2020

Summary and highlights

- Revenues down 15% year-on-year organically[1] and trading days adjusted (TDA), and down 18% on a reported basis, with broad-based improvement as the quarter progressed
- September revenues down 14% organically and TDA, and October volumes showed further gradual improvement
- Gross margin up 20 bps yoy to 19.6% (up 40 bps organically), supported by strong performance of LHH (career transition), pricing discipline and reduced Covid-19 related impact
- Resilient EBITA[2] margin excluding one-offs[3] of 4.5%, with organic recovery ratio at 64%, supported by strength and balance of portfolio, and agile cost management
- Strong cash flow and balance sheet with cash conversion of 153% and net debt/EBITDA excluding one-offs at 0.5x
- Restructuring charge of EUR 89 million in Q3 2020, primarily related to real estate rationalisation and transformation of the Group's operations in Germany
- Continued investment and progress in the Group's strategic priorities

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"While the market environment remained challenging in Q3, we saw a gradual recovery in business activity as lockdowns were eased. Against a backdrop of uncertainty, we continued to successfully navigate the crisis – putting the health and safety of our people first, delivering on the evolving needs of our clients, and supporting almost 150,000 associates back to work since the trough of the crisis.

The scale and breadth of our business and proactive account management approach has positioned us well to benefit from the increased demand in sectors such as e-commerce and logistics. Despite lower revenues overall, profitability was strong as we maintained price discipline and demonstrated agile cost management. The balanced portfolio we have built continues to be a differentiator, with LHH delivering double-digit growth and our outsourcing, consulting and up/re-skilling businesses proving more resilient than traditional staffing and recruitment. Cash flow continues to be a focus and was strong again in the quarter.

We have maintained focus on our strategy to Perform, Transform and Innovate. It is clear that recent investments in IT infrastructure and digital products have been enablers during this crisis and we continue to develop and roll out new technology and tools in line with our long-term transformation and product roadmaps.

Looking ahead, we are prepared for the recovery to be bumpy given the rapidly evolving Covid-19 situation. While much uncertainty prevails, we are confident in our ability to steer through these turbulent times and are focused on emerging stronger from the crisis, by maintaining focus on our strategic priorities. As an essential service provider, the Adecco Group also has an important role to play in supporting economies and individuals to get back to work.

I would like to thank our valued customers for placing their trust in us, and share my deep gratitude to our employees and associates for their continued hard work, endurance and tenacity."

Alain Dehaze, Group Chief Executive Officer

[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 2020, EBITA included one-offs of EUR 89 million; in Q3 2019, EBITA included one-offs of EUR 16 million.

THE ADECCO GROUP

Key figures overview

EUR millions unless stated	Q3 2020	Q3 2019	Change % Reported	Change % Organic	9M 2020	9M 2019	Change % Reported	Change % Organic
Summary of income statement information								
Revenues	**4,835**	5,898	-18%	-15%[4]	**14,155**	17,466	-19%	-18%[4]
Gross profit	**949**	1,146	-17%	-14%	**2,729**	3,354	-19%	-16%
EBITA excluding one-offs	**220**	288	-24%	-19%	**449**	779	-42%	-39%
EBITA	**131**	272	-52%	-52%	**317**	734	-57%	-57%
Net income/(loss) attributable to Adecco Group shareholders	**80**	179	-55%		**(247)**	471	-152%	
Diluted EPS (EUR)	**0.49**	1.10	-55%		**(1.52)**	2.90	-152%	
Gross margin	**19.6%**	19.4%	20 bps	40 bps	**19.3%**	19.2%	10 bps	20 bps
EBITA margin excluding one-offs	**4.5%**	4.9%	(40) bps	(30) bps	**3.2%**	4.5%	(130) bps	(110) bps
EBITA margin	**2.7%**	4.6%	(190) bps	(180) bps	**2.2%**	4.2%	(200) bps	(180) bps
Summary of cash flow and net debt information								
Free cash flow[5] before interest and tax paid (FCFBIT)	**167**	211			**726**	596		
Free cash flow (FCF)	**110**	137			**451**	385		
Net debt[6]	**462**	1,244			**462**	1,244		
Days sales outstanding	**51**	53			**53**	53		
Cash conversion[7]	**153%**	84%			**153%**	84%		
Net debt to EBITDA[8] excluding one-offs	**0.5x**	1.1x			**0.5x**	1.1x		

[4] In Q3 2020, organic and trading days adjusted (TDA) revenues declined by 15%. In 9M 2020, organic revenues declined by 17%, or by 18% TDA.
[5] Free cash flow is a non-US GAAP measure and comprises cash flows from operating activities less capital expenditures.
[6] 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.
[7] 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.
[8] 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 2020 financial performance

Group performance overview

Revenues in Q3 2020 were down 15% year-on-year, organically and trading days adjusted (TDA), rebounding from the 28% decline of Q2 2020. The improved revenue trend reflected the reopening of economies across the Group's major markets, following the unprecedented Covid-19 lockdown measures imposed in Q2. The recovery that began in May continued through Q3 and into October. Permanent placement activity remained heavily impacted by the crisis, with revenues down 37% organically, while counter-cyclical career transition achieved strong organic growth of 20%.

Gross margin was 19.6%, an increase of 40 bps year-on-year organically, driven by the strength and diversity of the Group's portfolio, pricing discipline and reduced Covid-19 related costs relative to the prior quarter. EBITA margin excluding one-offs was 4.5%, down 30 bps organically, with the positive gross margin development and agile cost management, enhanced by the GrowTogether programme, contributing to the resilient EBITA margin performance. Cash flow was strong, with cash conversion at 153% and free cash flow of EUR 110 million, including the accelerated repayment of EUR 75 million tax and social security payments that had been deferred during Q1 and Q2 2020. The Group has no further outstanding payment deferrals and maintains a strong liquidity position, with EUR 1.5 billion cash on hand and an undrawn credit facility of EUR 600 million.

Revenues

Q3 2020 revenues were EUR 4,835 million, down 18% year-on-year on a reported basis and down 15% organically and trading days adjusted. Currency movements and divestments had a negative impact of approximately 2% and 1% respectively, while the impact from the number of working days was immaterial.

By service line, temporary staffing revenues declined by 17% to EUR 4,140 million; permanent placement revenues declined by 37% to EUR 89 million; revenues from career transition were up 20% to EUR 100 million; and revenues in outsourcing and other activities were down 2% to EUR 506 million.

Workforce Solutions (Adecco brand) revenues declined 14%; Professional Solutions were down 22%; Talent Solutions and Ventures grew by 3%. All compared to the prior year and on an organic basis.

Gross Profit

Gross profit was EUR 949 million in Q3 2020, down 17% on a reported basis and down 14% organically. Gross margin was 19.6%, up 20 bps compared to Q3 2019. Currency and M&A each had a negative impact of 10 bps. Therefore, on an organic basis, the gross margin was up 40 bps: positive contributions from career transition (+60 bps) and outsourcing and other activities (+10 bps) more than compensated for declines in permanent placement (-60 bps). The temporary staffing gross margin was up by 30 bps year-on-year, supported by positive price and mix effects and reduced Covid-19 related costs relative to the prior quarter.

Selling, General and Administrative Expenses (SG&A)

SG&A excluding one-offs was EUR 733 million in Q3 2020, down 14% year-on-year on a reported basis and down 11% organically. Average FTE employees were 29,389, down 14% organically year-on-year. FTEs increased 6% sequentially compared to Q2 2020, in response to recovering business activity. The number of branches was reduced by 6% organically year-on-year. Q3 2020 reported SG&A included one-offs of EUR 89 million, comprising restructuring costs of EUR 88 million and acquisition-related costs of EUR 1 million. Restructuring primarily related to real estate rationalisation and transformation of the Group's operations in Germany. In Q3 2019, one-offs were EUR 16 million, of which EUR 14 million were restructuring costs and EUR 2 million were acquisition-related costs.

EBITA

EBITA in Q3 2020 was EUR 131 million, which included EUR 4 million from the Group's FESCO Adecco JV in China. EBITA excluding one-offs was EUR 220 million, down 19% organically. EBITA margin excluding one-offs was 4.5%, down 40 bps year-on-year in reported terms and down 30 bps organically. The conversion ratio of gross profit into EBITA excluding one-offs was 23.2%, down 200 bps on a reported basis and down 170 bps organically year-on-year.

Amortisation of Intangible Assets and Impairment of Goodwill

Amortisation of intangible assets was EUR 19 million, compared to EUR 14 million in Q3 2019.

Operating Income

The Group generated an operating income in Q3 2020 of EUR 112 million, compared to EUR 258 million in Q3 2019.

Interest Expense and Other Income/(Expenses), net

Interest expense was EUR 8 million in Q3 2020, unchanged when compared to Q3 2019. Other income/(expenses), net was an income of EUR 2 million, compared to EUR 7 million in Q3 2019.

Provision for Income Taxes

In Q3 2020, the effective tax rate (ETR) excluding discrete events was 42%, compared to 31% in Q3 2019. The increase relates to the impact of the French Business Tax, which is a tax primarily based on sales but under US GAAP is recognised in income tax expense. In Q3 2020, discrete events had a favourable impact on the tax rate of 17%, resulting in an effective tax rate of 25%. In Q3 2019, discrete events had a favourable impact of 1% resulting in an ETR of 30%.

Net Income/(Loss) Attributable to Adecco Group Shareholders and EPS

Net income attributable to Adecco Group shareholders was EUR 80 million, compared to EUR 179 million in Q3 2019. Basic EPS was EUR 0.50 compared to EUR 1.11 in Q3 2019. The year-on-year decline in reported net income was primarily driven by higher restructuring charges compared to the same period in the prior year, related to real estate rationalisation and transformation of the Group's operations in Germany.

Cash Flow and Net Debt

Cash flow from operating activities was EUR 150 million in Q3 2020, compared to EUR 172 million in Q3 2019. Lower net income vs the prior year was offset by a positive working capital development, reflecting lower levels of business activity and strong collections. DSO was 51 days in Q3 2020, decreasing by 2 days compared to the prior year. The rolling last four quarters cash conversion ratio was 153%, compared to 84% in Q3 2019. Net debt was EUR 462 million at 30 September 2020, compared to EUR 519 million at 30 June 2020 and EUR 1,244 million at 30 September 2019. Net debt to EBITDA excluding one-offs was 0.5x, compared to 0.6x at 30 June 2020 and 1.1x at 30 September 2019.

Q3 2020 segment operating performance

Revenues and revenue growth

	Revenues		Variance			% of revenues
EUR millions unless stated	Q3 2020	Q3 2019	Reported	Organic	Organic TDA[9]	Q3 2020
France	1,137	1,393	-18%	-18%	-18%	24%
N. America, UK & I. General Staffing[10]	637	746	-15%	-12%	-12%	13%
N. America, UK & I. Professional Staffing[10]	539	832	-35%	-28%	-28%	11%
Germany, Austria, Switzerland	390	492	-21%	-21%	-22%	8%
Benelux and Nordics	354	480	-26%	-26%	-26%	7%
Italy	428	463	-8%	-8%	-8%	9%
Japan	377	380	-1%	3%	4%	8%
Iberia	249	307	-19%	-15%	-17%	5%
Rest of World	587	676	-13%	-6%	-6%	12%
Career Transition & Talent Development	137	129	6%	9%	9%	3%
Adecco Group	**4,835**	**5,898**	**-18%**	**-15%**	**-15%**	100%

EBITA and EBITA margin excluding one-offs

	EBITA excluding one-offs[11]		EBITA margin excluding one-offs			% of EBITA[12]
EUR millions unless stated	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Variance	Q3 2020
France	60	95	5.2%	6.8%	(160) bps	24%
N. America, UK & I. General Staffing[10]	20	21	3.2%	2.9%	30 bps	8%
N. America, UK & I. Professional Staffing[10]	19	43	3.6%	5.3%	(170) bps	8%
Germany, Austria, Switzerland	11	24	2.8%	5.0%	(220) bps	4%
Benelux and Nordics	21	21	5.9%	4.4%	150 bps	8%
Italy	26	35	6.1%	7.5%	(140) bps	11%
Japan	28	26	7.4%	6.8%	60 bps	11%
Iberia	10	16	3.7%	5.1%	(140) bps	4%
Rest of World	23	25	4.0%	3.7%	30 bps	9%
Career Transition & Talent Development	31	22	22.8%	16.4%	640 bps	13%
Corporate	(29)	(40)				
Adecco Group	**220**	**288**	**4.5%**	**4.9%**	**(40) bps**	100%

[9] TDA = trading days adjusted.
[10] 2019 N. America, UK&I General Staffing and N. America, UK&I Professional Staffing have been restated to conform with the current period presentation.
[11] See page 11 for a reconciliation of EBITA to EBITA excluding one-offs by segment.
[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 1,137 million, down 18%, in-line with the market trend. Having reported the steepest decline in Q2 2020, linked to the strictness of the local lockdown, France witnessed a strong recovery during Q3 2020 as the economy reopened. The year-on-year decline continued to be driven by lower demand from clients in the manufacturing, automotive and construction sectors while logistics, healthcare and pharmaceuticals were more resilient. Revenues decreased by 18% in Workforce Solutions (Adecco brand), which accounts for over 90% of revenues. Professional Solutions were down 21%. Permanent placement revenues declined 32%. EBITA excluding one-offs was EUR 60 million with a margin of 5.2%, down 160 bps year-on-year, driven by the decline in revenues. Continued agile cost management, as well as lower Covid-19 related costs and a favourable movement in bad debt provisions, linked to strong collections, resulted in a significant improvement in the margin trend compared to Q2 2020.

In **North America**, **UK & Ireland General Staffing**, revenues were EUR 637 million, a decline of 12%. North America General Staffing, which accounts for approximately 70% of revenues, was down 14%, led by lower demand primarily from clients in the manufacturing sector. UK & Ireland General Staffing represents approximately 30% of revenues and was more resilient, with a decline of 5%, supported by growing demand from retail and e-commerce clients. Permanent placement revenues declined by 18% in North America General Staffing and by 57% in UK & Ireland General Staffing. Overall EBITA excluding one-offs was EUR 20 million, with a margin of 3.2%, up 30 bps year-on-year driven by strong FTE productivity and business mix improvement. During Q3 2020, the Group consolidated its real estate footprint in North America, resulting in a one-off restructuring expense.

In **North America**, **UK & Ireland Professional Staffing**, revenues were EUR 539 million, down 28%. North America Professional Staffing represents approximately 65% of revenues and declined 21%. The decline was led by the professional recruitment brands (Finance, Office, Legal) and Entegee (Engineering), with Modis (IT) being more resilient. UK & Ireland Professional Staffing represents approximately 35% of revenues and declined 37%, similar to the prior quarter, continuing to be impacted by regulatory changes (IR35) and Brexit-related uncertainty. Permanent placement revenues were down 43% in North America Professional Staffing and down 38% in UK & Ireland Professional Staffing. Overall EBITA excluding one-offs was EUR 19 million with a margin of 3.6%, down 170 bps year-on-year, and 110 bps organically, driven by the significant decline in permanent placement revenues. During Q3 2020, the Group consolidated its real estate footprint in North America, resulting in a one-off restructuring expense.

In **Germany, Austria, Switzerland**, revenues were EUR 390 million, down 21%, or 22% TDA. In Germany & Austria, revenues declined by 21%. The decline was led by lower demand from clients in the automotive, manufacturing and aerospace industries. At the end of Q3 2020, the Group initiated a significant restructuring of the German business, including structural changes to both the organisation and business mix, to create a path to a sustainable, appropriate level of profitability. This included the exit from certain parts of the aerospace sector linked to long-cycle demand, and from parts of the automotive sector, due to lower labour requirements for electric vehicles. These actions resulted in a restructuring expense of EUR 61 million in Q3 2020. In Switzerland, revenues declined by 23%, or 24% TDA. For the region, EBITA excluding one-offs was EUR 11 million, with a margin of 2.8%, down 220 bps year-on-year. The year-on-year margin decline improved compared to Q2 2020, supported by higher bench utilisation and improved business mix in Germany. Benefit from restructuring activities within the quarter was limited.

In **Benelux and Nordics**, revenues were EUR 354 million, down 26%. In the Nordics, revenues declined 30%, led by Sweden. Revenues in Benelux were down 23%, with the Netherlands down 28% and Belgium down 18%. The declines were driven by lower demand in the manufacturing, automotive, retail and logistics sectors. EBITA for the region was EUR 21 million, with a margin of 5.9%, compared to 4.4% in Q3 2019. The margin improvement was driven by improved client mix, agile cost management and Covid-19 employment support schemes, combined with higher bench utilisation compared to the prior quarter.

In **Italy**, revenues were EUR 428 million, down 8%. The decline was led by the manufacturing and automotive industries. Permanent placement was down 18%. EBITA was EUR 26 million and the margin was 6.1%, down 140 bps year-on-year, impacted by lower revenues and unfavourable business mix.

In **Japan**, revenues were EUR 377 million, up 3%, or 4% TDA, with continued good growth in both Workforce Solutions and Professional Solutions. Permanent placement was down 38%. EBITA was EUR 28 million and the EBITA margin was 7.4%, up 60 bps year-on-year, driven by operating leverage and favourable gross margin development.

In **Iberia**, revenues were EUR 249 million, down 15%, or 17% TDA, driven by declines in the manufacturing and automotive industries. EBITA excluding one-offs was EUR 10 million and the EBITA margin was 3.7%, down 140 bps year-on-year.

In **Rest of World**, revenues were EUR 587 million, down 6%. Revenues decreased by 3% in Australia & New Zealand, by 12% in Asia and by 41% in India, while they grew by 4% in Latin America and by 1% in Eastern Europe & MENA, all trading days adjusted. For the region, EBITA was EUR 23 million, with a margin of 4.0%, up 30 bps compared to the prior year, excluding one-offs. Since Q4 2019, the Group reports net income from its China joint venture, FESCO Adecco, within Rest of World EBITA (previously included in 'other income/(expenses), net'). This had a positive impact of EUR 4 million year-on-year on EBITA in Q3 2020.

In **Career Transition and Talent Development**, revenues were up 9% at EUR 137 million. In Lee Hecht Harrison, revenues grew by 14%, while they declined by 6% in General Assembly. Growth in LHH's counter-cyclical Career Transition activities accelerated strongly during the quarter, as client restructuring activity increased as a result of the crisis. General Assembly has seen strong demand for its online offerings, but continues to be impacted by the closure of its campuses globally. EBITA excluding one-offs was EUR 31 million, representing an EBITA margin of 22.8%, compared to 16.4% in the prior year excluding one-offs.

Changes to Executive Committee

Following the announcement, on 17 September 2020, that the Group will adopt a brand-driven organisational structure and align its country-based Adecco operations under the global leadership of Christophe Catoir, a review of the Executive Committee (EC) structure was undertaken. Consequently, Corinne Ripoche (Americas), Ian Lee (APAC), and Enrique Sanchez (Southern Europe & EEMENA) will become Regional Presidents of Adecco and will leave the EC, and Ralf Weissbeck, Chief Information Officer, will join the EC. All changes are effective 1 January 2021.

As of 1 January 2021, the Adecco Group Executive Committee will be comprised of 10 members: Alain Dehaze (CEO), Coram Williams (CFO), Christophe Catoir (President of Adecco), Jan Gupta (President of Modis), Sergio Picarelli (President of Talent Solutions), Valerie Beaulieu (Chief Sales and Marketing Officer), Stephan Howeg (Chief of Staff and Communications Officer), Gordana Landen (Chief Human Resources Officer), Teppo Paavola (Chief Digital Officer), Ralf Weissbeck (Chief Information Officer).

Management outlook

Revenues declined by 15% in Q3 2020, organically and trading days adjusted. The rate of revenue decline improved through the quarter, with September down -14% TDA and volumes in October indicating a further gradual improvement.

The tightening of Covid-19 restrictions across Europe has not materially impacted demand for the Group's services to date. Nevertheless, management recognises that the most recently announced lockdown measures are likely to slow the revenue recovery.

The Group will continue to manage its cost base with agility, while maintaining investments in its transformation and in areas of growth. Having achieved an organic recovery ratio[13] of 64% in Q3, management anticipates a more normalised recovery ratio of around 50% in Q4 2020.

The Group has a strong balance sheet and significant liquidity headroom. Cash on hand was EUR 1.5 billion at the end of September and the Group's EUR 600 million committed long-term revolving credit facility remains undrawn. None of the Group's financing is subject to any financial covenants. As evidenced in Q2 and Q3 2020, the Group is able to rapidly adapt to changing market conditions and continues to generate substantial free cash flow through the crisis.

[13] Organic recovery ratio is a non-US GAAP measure and represents the reduction in SG&A year-on-year as a percentage of the reduction in gross profit year-on-year, excluding the impact of currency, acquisitions and divestitures.

Q3 2020 results conference calls

There will be an analyst and investor conference call at 10.00 am CET. The conference call can be followed either via webcast 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 2020 results presentation will be available through the webcast and will be published on the Investor Relations section on the Group's website.

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Financial Agenda

- Capital Markets Day 1 December 2020
- Q4 2020 results 25 February 2021
- Q1 2021 results 4 May 2021
- Q2 2021 results 5 August 2021
- Q3 2021 results 2 November 2021

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 HR solutions company. We believe in making the future work for everyone, and every day enable more than 3.5 million careers. We skill, develop, and hire talent in 60 countries, enabling organisations to embrace the future of work. As a Fortune Global 500 company, we lead by example, creating shared value that fuels economies and builds better societies. Our culture of inclusivity, entrepreneurship and teamwork empowers our 35,000 employees. We are proud to have been consistently ranked one of the 'World's Best Workplaces' by Great Place to Work®.

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

Revenues by segment and by brand

Revenues by segment EUR millions	Q3 2020	Q3 2019[4)]	Variance % EUR	Variance % Constant currency	9M 2020	9M 2019[4)]	Variance % EUR	Variance % Constant currency
France	1,137	1,393	-18%	-18%	3,054	4,096	-25%	-25%
N. America, UK & I. General Staffing	637	746	-15%	-12%	1,831	2,230	-18%	-18%
N. America, UK & I. Professional Staffing[1)]	539	832	-35%	-33%	1,763	2,506	-30%	-30%
Germany, Austria, Switzerland	390	492	-21%	-21%	1,152	1,448	-20%	-21%
Benelux and Nordics	354	480	-26%	-26%	1,053	1,428	-26%	-25%
Italy	428	463	-8%	-8%	1,234	1,417	-13%	-13%
Japan	377	380	-1%	3%	1,160	1,087	7%	5%
Iberia[1)]	249	307	-19%	-19%	706	857	-18%	-18%
Rest of World	587	676	-13%	-6%	1,805	2,010	-10%	-5%
Career Transition & Talent Development[1)]	137	129	6%	10%	397	387	2%	3%
Adecco Group[1)]	**4,835**	**5,898**	**-18%**	**-16%**	**14,155**	**17,466**	**-19%**	**-18%**

Revenues by brand EUR millions	Q3 2020	Q3 2019	Variance % EUR	Variance % Constant currency	9M 2020	9M 2019	Variance % EUR	Variance % Constant currency
Adecco	3,716	4,424	-16%	-14%	10,614	13,044	-19%	-18%
Workforce Solutions	**3,716**	**4,424**	**-16%**	**-14%**	**10,614**	**13,044**	**-19%**	**-18%**
Modis	451	515	-12%	-10%	1,406	1,520	-7%	-7%
Badenoch + Clark / Spring Professional[2)]	287	392	-27%	-25%	929	1,170	-21%	-21%
Other Professional Brands[3)]	194	380	-49%	-48%	656	1,171	-44%	-44%
Professional Solutions[3)]	**932**	**1,287**	**-28%**	**-26%**	**2,991**	**3,861**	**-23%**	**-23%**
LHH[3)]	113	103	10%	14%	323	312	3%	4%
Pontoon	44	44	-1%	1%	133	133	0%	0%
Ventures	30	40	-25%	-22%	94	116	-19%	-19%
Talent Solutions and Ventures	**187**	**187**	**0%**	**3%**	**550**	**561**	**-2%**	**-2%**
Adecco Group[1)]	**4,835**	**5,898**	**-18%**	**-16%**	**14,155**	**17,466**	**-19%**	**-18%**

1) In Q3 2020 revenues changed organically in N. America, UK & I Professional Staffing by -28%, Iberia by -15%, Career Transition & Talent Development by +9% and Adecco Group by -15%. In 9M 2020 revenues changed organically in N. America, UK & I Professional Staffing by -23%, Iberia by -13%, and Adecco Group by -17%.

2) Including other local Professional Recruitment brands.

3) In Q3 2020 revenues changed organically in Other Professional Brands by -37%, Professional Solutions by -22% and in LHH by +13%. In 9M 2020 revenues changed organically in Other Professional Brands by -30%, and in Professional Solutions by -18%.

4) 2019 N. America, UK & I. General Staffing and N. America, UK & I. Professional Staffing have been restated to conform with current period presentation.

EBITA[1] and EBITA margin by segment

EBITA	Q3		Variance %		9M		Variance %	
EUR millions	**2020**	2019[2]	EUR	Constant currency	**2020**	2019[2]	EUR	Constant currency
France	59	94	-38%	-38%	123	253	-51%	-51%
N. America, UK & I. General Staffing	13	20	-33%	-30%	25	62	-60%	-60%
N. America, UK & I. Professional Staffing	6	40	-84%	-83%	31	119	-74%	-74%
Germany, Austria, Switzerland	(50)	24	n.m.	n.m.	(84)	14	n.m.	n.m.
Benelux and Nordics	21	21	-1%	0%	23	48	-52%	-52%
Italy	26	35	-26%	-26%	69	113	-39%	-39%
Japan	28	26	7%	10%	90	79	14%	11%
Iberia	9	16	-47%	-47%	22	43	-50%	-50%
Rest of World	23	24	-4%	6%	67	69	-3%	4%
Career Transition & Talent Development	25	13	101%	114%	62	51	22%	22%
Corporate	(29)	(41)	-30%	-32%	(111)	(117)	-5%	-10%
Adecco Group	**131**	**272**	**-52%**	**-50%**	**317**	**734**	**-57%**	**-56%**

	Q3			9M		
EBITA margin	**2020**	2019[2]	Variance bps	**2020**	2019[2]	Variance bps
France	5.2%	6.8%	(160)	4.0%	6.2%	(220)
N. America, UK & I. General Staffing	2.1%	2.7%	(60)	1.4%	2.8%	(140)
N. America, UK & I. Professional Staffing	1.2%	4.8%	(360)	1.8%	4.7%	(290)
Germany, Austria, Switzerland	-12.8%	5.0%	(1,780)	-7.3%	1.0%	(830)
Benelux and Nordics	5.8%	4.3%	150	2.2%	3.3%	(110)
Italy	6.1%	7.5%	(140)	5.6%	8.0%	(240)
Japan	7.4%	6.8%	60	7.8%	7.3%	50
Iberia	3.3%	5.1%	(180)	3.1%	5.0%	(190)
Rest of World	4.0%	3.6%	40	3.7%	3.4%	30
Career Transition & Talent Development	18.8%	9.9%	890	15.8%	13.2%	260
Adecco Group	**2.7%**	**4.6%**	**(190)**	**2.2%**	**4.2%**	**(200)**

1) EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

2) 2019 N. America, UK & I. General Staffing and N. America, UK & I. Professional Staffing have been restated to conform with current period presentation.

Reconciliation of EBITA to EBITA excluding one-offs

EBITA	EBITA excluding one-offs		One-offs		EBITA	
EUR millions	Q3 2020	Q3 2019[1]	Q3 2020	Q3 2019	Q3 2020	Q3 2019[1]
France	60	95	(1)	(1)	59	94
N. America, UK & I. General Staffing	20	21	(7)	(1)	13	20
N. America, UK & I. Professional Staffing	19	43	(13)	(3)	6	40
Germany, Austria, Switzerland	11	24	(61)	-	(50)	24
Benelux and Nordics	21	21	-	-	21	21
Italy	26	35	-	-	26	35
Japan	28	26	-	-	28	26
Iberia	10	16	(1)	-	9	16
Rest of World	23	25	-	(1)	23	24
Career Transition & Talent Development	31	22	(6)	(9)	25	13
Corporate	(29)	(40)	-	(1)	(29)	(41)
Adecco Group	**220**	**288**	**(89)**	**(16)**	**131**	**272**

EBITA	EBITA excluding one-offs		One-offs		EBITA	
EUR millions	9M 2020	9M 2019[1]	9M 2020	9M 2019	9M 2020	9M 2019[1]
France	124	256	(1)	(3)	123	253
N. America, UK & I. General Staffing	39	63	(14)	(1)	25	62
N. America, UK & I. Professional Staffing	49	126	(18)	(7)	31	119
Germany, Austria, Switzerland	(6)	31	(78)	(17)	(84)	14
Benelux and Nordics	28	48	(5)	-	23	48
Italy	69	113	-	-	69	113
Japan	90	79	-	-	90	79
Iberia	23	43	(1)	-	22	43
Rest of World	69	70	(2)	(1)	67	69
Career Transition & Talent Development	75	65	(13)	(14)	62	51
Corporate	(111)	(115)	-	(2)	(111)	(117)
Adecco Group	**449**	**779**	**(132)**	**(45)**	**317**	**734**

1) 2019 N. America, UK & I. General Staffing and N. America, UK & I. Professional Staffing have been restated to conform with current period presentation.

Consolidated statements of operations

EUR millions except share and per share information	Q3 2020	Q3 2019	Variance % EUR	Variance % Constant currency	9M 2020	9M 2019	Variance % EUR	Variance % Constant currency
Revenues	**4,835**	5,898	**-18%**	**-16%**	**14,155**	17,466	**-19%**	**-18%**
Direct costs of services	(3,886)	(4,752)			(11,426)	(14,112)		
Gross profit	**949**	**1,146**	**-17%**	**-15%**	**2,729**	**3,354**	**-19%**	**-18%**
Selling, general, and administrative expenses	(822)	(874)	-6%	-4%	(2,430)	(2,620)	-7%	-7%
Proportionate net income of equity method investment FESCO Adecco	4				18			
EBITA[1]	**131**	**272**	**-52%**	**-50%**	**317**	**734**	**-57%**	**-56%**
Amortisation of intangible assets	(19)	(14)			(61)	(41)		
Impairment of goodwill					(362)			
Operating income/(loss)	**112**	**258**	**-57%**	**-55%**	**(106)**	**693**	**-115%**	**-116%**
Interest expense	(8)	(8)			(23)	(26)		
Other income/(expenses), net	2	7			(3)	3		
Income/(loss) before income taxes	**106**	**257**	**-59%**		**(132)**	**670**	**-120%**	
Provision for income taxes	(26)	(77)			(114)	(198)		
Net income/(loss)	**80**	**180**	**-56%**		**(246)**	**472**	**-152%**	
Net income attributable to noncontrolling interests		(1)			(1)	(1)		
Net income/(loss) attributable to Adecco Group shareholders	**80**	**179**	**-55%**		**(247)**	**471**	**-152%**	
Basic earnings/(loss) per share[2]	**0.50**	**1.11**	**-55%**		**(1.53)**	**2.90**	**-153%**	
Diluted earnings/(loss) per share[3]	**0.49**	**1.10**	**-55%**		**(1.52)**	**2.90**	**-152%**	
Gross margin	*19.6%*	*19.4%*			*19.3%*	*19.2%*		
SG&A as a percentage of revenues	*17.0%*	*14.8%*			*17.2%*	*15.0%*		
EBITA margin	*2.7%*	*4.6%*			*2.2%*	*4.2%*		
Operating income/(loss) margin	*2.3%*	*4.4%*			*-0.8%*	*4.0%*		
Net income/(loss) margin attributable to Adecco Group shareholders	*1.7%*	*3.0%*			*-1.7%*	*2.7%*		

1) EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.
2) Basic weighted-average shares were 161,126,484 in Q3 2020 and 161,522,797 in 9M 2020 (162,070,874 in Q3 2019 and 162,256,298 in 9M 2019).
3) Diluted weighted-average shares were 161,727,205 in Q3 2020 and 162,018,425 in 9M 2020 (162,402,593 in Q3 2019 and 162,560,008 in 9M 2019).

Consolidated balance sheets

EUR millions	30 September 2020	31 December 2019
Assets		
Current assets:		
- Cash and cash equivalents	1,509	1,351
- Trade accounts receivable, net	3,629	4,310
- Other current assets	428	282
Total current assets	**5,566**	**5,943**
Property, equipment, and leasehold improvements, net	309	318
Operating lease right-of-use assets	404	432
Equity method investments	107	83
Other assets	639	617
Intangible assets, net	267	332
Goodwill	2,394	2,846
Total assets	**9,686**	**10,571**
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
- Accounts payable and accrued expenses	3,798	4,106
- Current operating lease liabilities	177	196
- Short-term debt and current maturities of long-term debt	142	172
Total current liabilities	**4,117**	**4,474**
Operating lease liabilities	266	265
Long-term debt, less current maturities	1,829	1,577
Other liabilities	334	307
Total liabilities	**6,546**	**6,623**
Shareholders' equity		
Adecco Group shareholders' equity:		
- Common shares	10	10
- Additional paid-in capital	578	580
- Treasury shares, at cost	(89)	(66)
- Retained earnings	2,991	3,629
- Accumulated other comprehensive income/(loss), net	(358)	(213)
Total Adecco Group shareholders' equity	**3,132**	**3,940**
Noncontrolling interests	8	8
Total shareholders' equity	**3,140**	**3,948**
Total liabilities and shareholders' equity	**9,686**	**10,571**

Consolidated statements of cash flows

EUR millions	Q3		9M	
	2020	2019	**2020**	2019
Cash flows from operating activities				
Net income/(loss)	80	180	(246)	472
Adjustments to reconcile net income/(loss) to cash flows from operating activities:				
– Depreciation and amortisation	50	41	153	115
– Impairment of goodwill			362	
– Other charges	(1)	24	66	32
Changes in operating assets and liabilities, net of acquisitions and divestitures:				
– Trade accounts receivable	(307)	52	556	(16)
– Accounts payable and accrued expenses	247	(135)	(221)	(75)
– Other assets and liabilities	81	10	(109)	(30)
Cash flows from operating activities	**150**	**172**	**561**	**498**
Cash flows from investing activities				
Capital expenditures	(40)	(35)	(110)	(113)
Cash settlements on derivative instruments	8	(14)	10	(29)
Other acquisition, divestiture and investing activities, net	(6)	(6)	(25)	(10)
Cash used in investing activities	**(38)**	**(55)**	**(125)**	**(152)**
Cash flows from financing activities				
Net increase/(decrease) in short-term debt	(26)	(1)	(20)	4
Borrowings of long-term debt, net of issuance costs			259	353
Repayment of long-term debt		(215)	(2)	(215)
Buyback of long-term debt				(211)
Dividends paid to shareholders			(381)	(360)
Purchase of treasury shares			(46)	(87)
Other financing activities, net			(2)	(4)
Cash used in financing activities	**(26)**	**(216)**	**(192)**	**(520)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**(54)**	**48**	**(67)**	**48**
Net increase/(decrease) in cash, cash equivalents and restricted cash	**32**	**(51)**	**177**	**(126)**
Cash, cash equivalents and restricted cash:				
– Beginning of period	1,561	643	1,416	718
– End of period	1,593	592	1,593	592