

THE ADECCO GROUP

Adecco AKKODIS LHH



HALF YEAR REPORT 2024

Further market share gains and disciplined cost management; G&A savings above target



For more information go to
[adeccogroup.com](https://www.adeccogroup.com)

In this report

Operating and financial review	2	Consolidated statements of changes in shareholders' equity	15
Consolidated balance sheets	10	Notes to consolidated financial statements	16
Consolidated statements of operations	11		
Consolidated statements of comprehensive income	12	Non-US GAAP information and financial measures	34
Consolidated statements of cash flows	13		

in millions, except share and per share information

Overview

During the first half of 2024, the Company continued to consistently deliver against the Simplify-Execute-Grow plan that was launched in 2022 to drive improved execution and financial performance. The Group demonstrated strong operational progress during the period. Revenues decreased by 1% on an organic¹ trading days adjusted basis and 3% reported, outperforming a challenging market environment. Strong market share gains were achieved in the Adecco GBU across most of its territories. In LHH, Career Transition and Ezra digital coaching outperformed, while in Akkodis, Consulting & Solutions revenues were solid.

Gross margin was 80 bps below the first half of 2023 on a reported basis. Organically the gross margin decreased by 90 bps, mainly reflecting current business mix and firm pricing.

Selling, general, and administrative expenses (SG&A) excluding one-offs² were 6% lower organically. The Company delivered net G&A savings of EUR 162, in run-rate terms, in mid-2024, relative to the 2022 baseline. At the same time, the Group is driving productivity and preserving resources, where appropriate, to ensure it can swiftly capitalise on the future market rebound. Company-based FTE employees were 6% lower year-on-year on an organic basis.

The EBITA³ margin excluding one-offs was 2.9%, 20 bps lower year-on-year on a reported basis reflecting gross margin developments, substantially mitigated by rigorous cost discipline and focus on productivity improvements.

Free cash flow⁴ in the first half of 2024 was an inflow of EUR 35. This compares favourably to an outflow of EUR (137) in the first six months of last year. The Company distributed EUR 432 in dividends in the first half of 2024. Net debt⁵ at 30 June 2024 was EUR 2,972, representing a ratio of 3.0x net debt to EBITDA⁶ excluding one-offs versus 3.2x as of June 2023.

in EUR	HY 2024	HY 2023	Variance	
			Reported	Organic
Summary of income statement information				
Revenues	11,561	11,890	-3%	-1%
Gross profit	2,262	2,429 ⁹	-7%	-6%
EBITA excluding one-offs	336	368	-9%	-6%
EBITA ³	278	317	-12%	-10%
Net income attributable to Adecco Group shareholders	131	154	-15%	
Basic EPS	0.78	0.92	-15%	
Adjusted EPS ⁷	1.24	1.39	-11%	
Gross margin	19.6%	20.4% ⁹	(80) bps	(90) bps
EBITA margin excluding one-offs	2.9%	3.1%	(20) bps	(20) bps
EBITA margin	2.4%	2.7%	(30) bps	(20) bps
Summary of cash flow and net debt information				
Free cash flow before interest and tax paid (FCFBIT)	117	(41)		
Free cash flow (FCF) ⁴	35	(137)		
Days sales outstanding	53	53		
Cash conversion ⁸	84%	66%		
Net debt to EBITDA excluding one-offs	3.0x	3.2x		

1 Organic growth is a non-US GAAP measure and excludes the impact of currency, acquisitions and divestitures.

2 In the first six months of 2024, SG&A included one-offs of EUR 58 in restructuring and acquisition related costs.

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

4 Free cash flow is a non-US GAAP measure and comprises cash flows from operating activities less capital expenditures.

5 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.

6 Net debt to EBITDA is a non-US GAAP measure and is calculated as net debt at period end divided by the last four quarters of EBITA excluding one-offs plus depreciation.

7 Adjusted EPS is a non-US GAAP measure and refers to Net income attributable to Adecco Group shareholders before amortisation and impairment of goodwill and intangible assets, excluding one-off costs and exceptional tax items, divided by basic weighted-average shares outstanding.

8 Cash conversion is a non-US GAAP measure and is calculated as the last four quarters of FCFBIT divided by the last four quarters of EBITA excluding one-offs.

9 Comparative figures are restated to reflect the Company's change in accounting principle concerning the allocation of certain employee and client program costs between Selling, general and administrative expenses and Direct costs of services.

in millions, except share and per share information

Group performance overview

Statements throughout this operating and financial review using the term “the Company” refer to the Adecco Group, which comprises Adecco Group AG, a Swiss corporation, its consolidated subsidiaries, as well as variable interest entities for which the Adecco Group is considered the primary beneficiary.

Revenues

In the first half of 2024, revenues of EUR 11,561 were 3% lower year-on-year on a reported basis. Currency movements had a negative impact on revenues of approximately 2% while the number of working days and M&A had a neutral impact. Revenues were therefore 1% lower on an organic and trading days adjusted basis.

By Global Business Unit (GBU): revenues were flat in Adecco, 2% lower in Akkodis and 6% lower in LHH, all compared to the prior year on an organic and trading days adjusted basis.

By service line: Flexible Placement revenues were 3% lower year-on-year organically, at EUR 8,529; Permanent Placement revenues were EUR 326, 15% lower; revenues from Career Transition grew by 1% to EUR 248; revenues in Training, Up-skilling & Re-skilling grew by 3%, to EUR 155; and Outsourcing, Consulting & Other Services revenues were EUR 2,303, up 7%.

Gross profit

Gross profit amounted to EUR 2,262 in the first half of 2024, 7% lower on a reported basis and 6% organically. The gross margin was 19.6%, 80 bps below HI 2023. Compared to the prior year, currency had a positive impact on the gross margin of 10 bps, while there was no impact from M&A.

On an organic basis, the gross margin was 90 bps lower, reflecting a decrease of 40 bps in Flexible Placement, 30 bps in Permanent Placement, 20 bps in Outsourcing, Consulting & Other Services and a neutral impact from Training, Up-skilling & Re-skilling and Career Transition.

Gross margin drivers YoY

in basis points	HY 2024
Flexible Placement	(40)
Permanent Placement	(30)
Outsourcing, Consulting & Other Services	(20)
Other	0
Organic	(90)
Acquisitions and divestments	0
Currency	10
Reported	(80)

Selling, general, and administrative expenses (SG&A)

SG&A excluding one-offs was EUR 1,947 in the first half of 2024, 6% lower organically compared to the prior year. SG&A excluding one-offs as a percentage of revenues was 16.8%, compared to 17.5% in the previous year. Currency movements had a negative impact of 1% on SG&A. Reported SG&A was EUR 2,005. Company-based FTEs were 6% lower organically year-on-year.

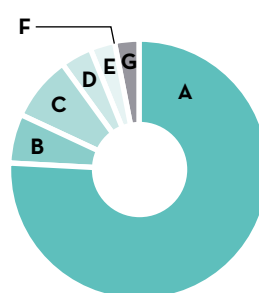
By delivering net G&A savings of EUR 162, in run-rate terms, in mid-2024, relative to the 2022 baseline, the Company has overachieved its EUR 150 G&A cost saving target.

In the first half of 2024, one-off costs amounted to EUR 58. These included restructuring and acquisition related costs of: EUR 11 in Corporate Holding; EUR 16 in LHH; EUR 12 in Akkodis; EUR 11 in Adecco DACH; EUR 2 in Adecco Americas; EUR 2 in Adecco Northern Europe; EUR 2 in Adecco Southern Europe & EEMENA; and EUR 2 in Adecco France.

Compensation expenses were EUR 1,516 in the first half of 2024, compared to EUR 1,604 in the same period of 2023. These represented 76% of total SG&A expenses. Marketing expenses were EUR 66, compared to EUR 79 in the first half of 2023.

SG&A breakdown

HY 2024



- A** - Compensation expenses - 76%
- B** - Premises expenses - 6%
- C** - Office & administrative expenses - 8%
- D** - Depreciation - 4%
- E** - Marketing - 3%
- F** - Bad debt expense - 0%
- G** - Other - 3%

in millions, except share and per share information

EBITA

EBITA excluding one-offs was EUR 336 in the first half of 2024, 9% lower on a reported basis year-on-year, and 6% lower organically. The EBITA margin excluding one-offs was 2.9%, 20 bps lower year-on-year on a reported basis and 20 bps lower organically.

The EBITA conversion ratio excluding one-offs (EBITA excluding one-offs divided by gross profit) was 14.9% in the first half of 2024 compared to 15.1% in the prior period.

One-offs amounted to EUR 58 in the first half of 2024 and EUR 51 in the prior period. EBITA was EUR 278 in the first half of 2024 compared to EUR 317 in the prior period, a decrease of 12% reported and 10% organically. The EBITA margin was 2.4% in the first half of 2024 versus 2.7% in the prior year.

Amortisation of intangible assets

Amortisation of intangible assets was EUR 43 versus EUR 56 in the same period of 2023.

Operating income

Operating income was EUR 235 in the first half of 2024 and EUR 261 in the first half of 2023.

Interest expense and other income/(expenses), net

Interest expense was EUR 36 in the first half of 2024 compared to EUR 37 in the first half of 2023. In the first half of 2024, other income/(expenses), net amounted to an expense of EUR 7 compared to an expense of EUR 10 in the same period of 2023.

Provision for income taxes

Provision for income taxes was EUR 61 in the first half of 2024, versus EUR 59 in the first half of 2023. The effective tax rate is impacted by recurring items, such as tax rates in the different jurisdictions where the Company operates, and the income mix within jurisdictions. It is also affected by discrete items which may occur in any given year, but are not consistent from year to year. In the first half of 2024, the effective tax rate was 32% including discrete events. Discrete events decreased the effective tax rate by approximately 1%. In the first half of 2023, the effective tax rate was 28% with discrete events increasing 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 131 in the first half of 2024, compared to EUR 154 in the prior period. Basic earnings per share was EUR 0.78 in the first half of 2024 compared to EUR 0.92 in the first half of 2023. Adjusted earnings per share was EUR 1.24 in the first half of 2024 compared to EUR 1.39 in the prior year period.

Cash flow statement and net debt**Analysis of cash flow statements**

The following table illustrates cash flows from or used in operating, investing, and financing activities:

in EUR	HY 2024	HY 2023
Summary of cash flow information		
Cash from/(used in) operating activities	95	(36)
Cash used in investing activities	(73)	(140)
Cash used in financing activities	(208)	(257)

Cash from/(used in) operating activities increased to EUR 95 in the first half of 2024 from EUR (36) in the same period of 2023, with the increase driven by lower business income more than offset by favourable working capital development. DSO was 53 days for both the first half of 2024 and 2023.

Cash used in investing activities totalled EUR 73 compared to EUR 140 in the first half of 2023. The 2024 cash outflow has been mainly driven by capital expenditures that amounted to EUR 60 in the first half of 2024 and EUR 101 in the same period of 2023.

Cash used in financing activities totalled EUR 208, compared to EUR 257 in the prior period. In the first half of 2024, the net increase of short-term debt totalled EUR 232, whereas in the same period of 2023 the net increase of short-term debt totalled EUR 172. The Company paid dividends of EUR 432 and EUR 422 in the first half of 2024 and the first half of 2023, respectively.

Net debt

Net debt was EUR 2,972 as of 30 June 2024, compared to EUR 2,590 as of 31 December 2023. The increase in net debt reflected the usual seasonal trends and was impacted by the payment of the dividend in April 2024. At 30 June 2024, the ratio of net debt to EBITDA excluding one-offs was 3.0x, compared to 2.5x at 31 December 2023. The following table presents the calculation of net debt based upon financial measures in accordance with US GAAP.

in EUR	30 June 2024	31 December 2023
Net debt		
Short-term debt and current maturities of long-term debt	734	521
Long-term debt, less current maturities	2,574	2,625
Total debt	3,308	3,146
Less:		
Cash and cash equivalents	336	556
Net debt	2,972	2,590

in millions, except share and per share information

HY 2024 segment performance

All growth rates are year-on-year on an organic and trading days adjusted (TDA) basis, unless otherwise stated.

Adecco

In Adecco, total revenues were EUR 8,890, flat versus the prior year period. Revenue growth was strong in APAC, and solid in Southern Europe & EEMENA and DACH. EBITA excluding one-offs was EUR 288 with a margin of 3.2%, 30 bps lower versus the prior year period. Further details by region can be found below.

Adecco France

Revenues were EUR 2,271, 7% lower in a challenging market environment. The decline was broad-based, with notable softness in manufacturing and logistics. EBITA excluding one-offs was EUR 60 with a margin of 2.7%, 130 bps lower year-on-year, mainly reflecting negative operating leverage.

Adecco Northern Europe

Revenues in the first half of 2024 were EUR 1,080, 9% lower when compared to the prior year. Revenue performance varied across the region. UK & Ireland decreased by 7%. Revenues in Belgium & Luxembourg were flat and the Nordics decreased by 13%, reflecting a tough market and the impact of regulatory change in Norway. The region performed well versus competitors. EBITA excluding one-offs was EUR 13 with a margin of 1.2%, 40 bps lower versus the prior year. This mainly reflects current solutions mix and lower volumes, partly offset by cost mitigation efforts including right-sizing of sales capacity and G&A savings.

Adecco DACH

Revenues were EUR 845, 4% higher year-on-year. Revenues in Germany increased by 5% and Switzerland & Austria increased by 3%. The region strongly outperformed the market. EBITA excluding one-offs was EUR 10 with a margin of 1.2%, 30 bps higher year-on-year reflecting higher volumes, firm pricing and G&A savings delivery.

Adecco Southern Europe & EEMENA

Revenues were EUR 2,253, up 6%. Revenues in Italy rose 1% and Iberia grew by 13%. EEMENA increased by 10%. The region performed well versus the market. EBITA excluding one-offs was EUR 130 with a margin of 5.8%, a 20 bps improvement year-on-year. The margin mainly reflects higher volumes, firm pricing, favourable mix, G&A savings and growth investment.

Adecco Americas

Revenues were EUR 1,269, 3% lower year-on-year. Revenues strongly increased by 19% in Latin America, led by Colombia and Brazil, and decreased by 13% in North America, reflecting continued market headwinds in flexible placement. EBITA excluding one-offs was EUR 9, with a margin of 0.7%. This compared to 0.5% in H1 2023 and mainly reflects improved productivity, cost mitigation efforts, and calibrated investment in the US network to drive future growth.

Adecco APAC

Revenues were EUR 1,173, up 14%. Revenue growth was strong in India, Japan and Asia, up 13%, 10% and 5% respectively, and Australia & New Zealand 49% higher, boosted by a significant government contract. EBITA excluding one-offs was EUR 66 with a 5.7% margin, 10 bps higher year-on-year. Margin mainly reflects higher volumes, improved productivity and G&A savings.

in millions, except share and per share information

Akkodis

Revenues were EUR 1,826, 2% lower year-on-year. Akkodis' revenues were challenged by the tough tech staffing market. Strong performance in Akkodis APAC, up 9% and solid growth in South EMEA, up 2%, were offset by decrease in North America and North EMEA, 14% and 4% lower, respectively. EBITA excluding one-offs was EUR 98, with a margin of 5.4%, 40 bps higher compared to last year, reflecting lower volumes, more than offset by favourable services mix and synergies.

LHH

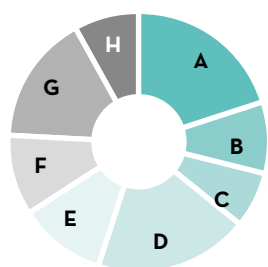
In the first half of 2024, revenues were EUR 883, 6% lower than the prior year period. Market conditions remained challenging for Recruitment Solutions, particularly in the US with signs of sequential stabilisation in US permanent professional recruitment activities. Pontoon & Other was higher year-on-year, led by growth in Direct Sourcing. The tech sector downturn continued to weigh on MSP/RPO activities. Learning & Development revenues were lower compared to the prior year, as General Assembly was challenged by its end markets. Ezra's revenues were 54% higher organically. Career Transition & Mobility was strong given a demanding comparison period and continued market share gains. EBITA excluding one-offs was EUR 65 and the EBITA margin was 7.4%, up 20 bps year-on-year. This EBITA margin reflects lower volumes, changing mix, and strong cost optimisation. The business continues to protect capacity in Recruitment Solutions to capture a future rebound in market activity.

Outlook

Revenue developments in Q3 2024 are expected to be similar to the Q2 2024 period, on a year-on-year organic TDA basis.

The Company will focus on sustaining G&A savings, whilst continuing to position capacity to capture growth opportunities and market share. In Q3 2024, the Company expects its gross margin to improve sequentially, in line with normal seasonality. The Company expects a modest reduction in SG&A expenses excluding one-offs relative to Q2 2024.

HY 2024 revenue split by segment



- A – Adecco France – 20%
- B – Adecco Northern Europe – 9%
- C – Adecco DACH – 7%
- D – Adecco Southern Europe & EEMENA – 19%
- E – Adecco Americas – 11%
- F – Adecco APAC – 10%
- G – Akkodis – 16%
- H – LHH – 8%

in millions, except share and per share information

Revenues by segment and by service line

Revenues by segment

in EUR	Revenues		Variance				% of total revenues ²	
	HY 2024	HY 2023 ¹	EUR	Constant currency	Organic	Organic TDA	HY 2024	HY 2023
Adecco France	2,271	2,450	-7%	-7%	-7%	-7%	20%	21%
Adecco Northern Europe	1,080	1,171	-8%	-9%	-9%	-9%	9%	10%
Adecco DACH	845	812	4%	3%	3%	4%	7%	7%
Adecco Southern Europe & EEMENA	2,253	2,147	5%	6%	5%	6%	19%	18%
Adecco Americas	1,269	1,363	-7%	-3%	-3%	-3%	11%	11%
Adecco APAC	1,173	1,118	5%	13%	13%	14%	10%	9%
<i>Elimination</i>	<i>(1)</i>	<i>(1)</i>						
Adecco	8,890	9,060	-2%	0%	0%	0%	76%	76%
Akkodis	1,826	1,926	-5%	-4%	-3%	-2%	16%	16%
LHH	883	936	-6%	-6%	-6%	-6%	8%	8%
<i>Elimination</i>	<i>(38)</i>	<i>(32)</i>						
Adecco Group	11,561	11,890	-3%	-1%	-1%	-1%	100%	100%

1 Comparative period restated to conform to current year presentation of certain intercompany transactions in the determination of Revenues by segment.

2 % of revenues before Elimination.

Revenues by service line

in EUR	Revenues		Variance			% of total revenues	
	HY 2024	HY 2023 ¹	EUR	Constant currency	Organic	HY 2024	HY 2023 ¹
Flexible Placement	8,529	8,913	-4%	-3%	-3%	74%	75%
Permanent Placement	326	388	-16%	-15%	-15%	3%	3%
Career Transition	248	246	1%	1%	1%	2%	2%
Outsourcing, Consulting & Other Services	2,303	2,193	5%	7%	7%	20%	19%
Training, Up-skilling & Re-skilling	155	150	3%	3%	3%	1%	1%
Adecco Group	11,561	11,890	-3%	-1%	-1%	100%	100%

1 Restated to conform to the current year presentation.

in millions, except share and per share information

EBITA by segment**EBITA¹ and EBITA margin excluding one-offs**

in EUR	EBITA excluding one-offs				EBITA margin excluding one-offs		
	HY 2024	HY 2023	Variance		HY 2024	HY 2023 ²	Variance in bps
			EUR	Constant currency			
Adecco France	60	98	-39%	-39%	2.7%	4.0%	(130)
Adecco Northern Europe	13	19	-32%	-34%	1.2%	1.6%	(40)
Adecco DACH	10	8	39%	39%	1.2%	0.9%	30
Adecco Southern Europe & EEMENA	130	121	7%	8%	5.8%	5.6%	20
Adecco Americas	9	7	26%	20%	0.7%	0.5%	20
Adecco APAC	66	63	6%	14%	5.7%	5.6%	10
Adecco	288	316	-9%	-7%	3.2%	3.5%	(30)
Akkodis	98	96	2%	3%	5.4%	5.0%	40
LHH	65	68	-3%	-2%	7.4%	7.2%	20
Corporate and Other	(115)	(112)	3%	0%			
Adecco Group	336	368	-9%	-6%	2.9%	3.1%	(20)

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

2 Recalculated considering the restatement of Revenues by segment.

EBITA¹ and EBITA margin by segment

in EUR	EBITA				EBITA margin		
	HY 2024	HY 2023	Variance		HY 2024	HY 2023 ²	Variance in bps
			EUR	Constant currency			
Adecco France	58	97	-41%	-41%	2.5%	4.0%	(150)
Adecco Northern Europe	11	16	-28%	-29%	1.1%	1.3%	(20)
Adecco DACH	(1)	7	n.m.	n.m.	-0.1%	0.8%	(90)
Adecco Southern Europe & EEMENA	128	119	7%	8%	5.7%	5.5%	20
Adecco Americas	7	(2)	n.m.	n.m.	0.5%	-0.1%	60
Adecco APAC	66	62	8%	16%	5.6%	5.5%	10
Adecco	269	299	-10%	-9%	3.0%	3.3%	(30)
Akkodis	86	80	8%	10%	4.7%	4.2%	50
LHH	49	55	-11%	-10%	5.5%	5.9%	(40)
Corporate and Other	(126)	(117)	8%	5%			
Adecco Group	278	317	-12%	-9%	2.4%	2.7%	(30)

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

2 Recalculated considering the restatement of Revenues by segment.

in millions, except share and per share information

Reconciliation of EBITA¹ to EBITA excluding one-offs

in EUR	EBITA excluding one-offs		One-offs		EBITA	
	HY 2024	HY 2023	HY 2024	HY 2023	HY 2024	HY 2023
Adecco France	60	98	(2)	(1)	58	97
Adecco Northern Europe	13	19	(2)	(3)	11	16
Adecco DACH	10	8	(11)	(1)	(1)	7
Adecco Southern Europe & EEMENA	130	121	(2)	(2)	128	119
Adecco Americas	9	7	(2)	(9)	7	(2)
Adecco APAC	66	63	-	(1)	66	62
Adecco	288	316	(19)	(17)	269	299
Akkodis	98	96	(12)	(16)	86	80
LHH	65	68	(16)	(13)	49	55
Corporate	(115)	(112)	(11)	(5)	(126)	(117)
Adecco Group	336	368	(58)	(51)	278	317

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

Forward-looking statements

Information in this Half Year Report 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 Half Year Report are based on information available to the Company as of 5 August 2024 and the Company assumes no duty to update any such forward-looking statements. The forward-looking statements in this Half Year Report are not guarantees of future performance, and actual results could differ materially from the Company's 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; and
- any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.

Consolidated balance sheets

in millions, except share and per share information

As of (in EUR)	Note	30.06.2024	31.12.2023
Assets			
Current assets:			
• Cash and cash equivalents		336	556
• Trade accounts receivable, net	3	4,302	4,466
• Other current assets		574	466
Total current assets		5,212	5,488
Property, equipment, and leasehold improvements, net		509	560
Operating lease right-of-use assets		466	476
Equity method investments		228	184
Other assets		689	681
Intangible assets, net		885	927
Goodwill		4,146	4,114
Total assets		12,135	12,430
Liabilities and shareholders' equity			
Liabilities			
Current liabilities:			
• Accounts payable and accrued expenses	4	4,290	4,471
• Current operating lease liabilities	4	195	202
• Short-term debt and current maturities of long-term debt	5	734	521
Total current liabilities		5,219	5,194
Operating lease liabilities	4	316	323
Long-term debt, less current maturities	5	2,574	2,625
Other liabilities		672	687
Total liabilities		8,781	8,829
Shareholders' equity			
Adecco Group shareholders' equity:			
• Common shares		11	11
• Additional paid-in capital		543	557
• Treasury shares, at cost	6	(19)	(39)
• Retained earnings		3,097	3,398
• Accumulated other comprehensive income/(loss), net	7	(284)	(332)
Total Adecco Group shareholders' equity		3,348	3,595
Noncontrolling interests		6	6
Total shareholders' equity		3,354	3,601
Total liabilities and shareholders' equity		12,135	12,430

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of operations

in millions, except share and per share information

For the six months ended 30 June (in EUR)	Note	2024	2023
Revenues	2, 14	11,561	11,890
Direct costs of services ¹		(9,299)	(9,461)
Gross profit¹		2,262	2,429
Selling, general, and administrative expenses ¹		(2,005)	(2,133)
Proportionate net income of equity method investment FESCO Adecco		21	21
Amortisation of intangible assets		(43)	(56)
Operating income	14	235	261
Interest expense		(36)	(37)
Other income/(expenses), net	11	(7)	(10)
Income before income taxes		192	214
Provision for income taxes	12	(61)	(59)
Net income		131	155
Net income attributable to noncontrolling interests			(1)
Net income attributable to Adecco Group shareholders		131	154
Basic earnings per share	13	0,78	0.92
Basic weighted-average shares	13	167,821,705	167,321,182
Diluted earnings per share	13	0,78	0.92
Diluted weighted-average shares	13	168,520,882	167,772,127

The accompanying notes are an integral part of these consolidated financial statements.

¹ Comparative figures are restated to reflect the Company's change in accounting principle concerning the allocation of certain employee and client program costs between Selling, general and administrative expenses and Direct costs of services.

Consolidated statements of comprehensive income

in millions, except share and per share information

For the six months ended 30 June (in EUR)	Note	2024	2023
Net income		131	155
Other comprehensive income/(loss), net of tax:			
• Currency translation adjustments	7	50	(114)
• Pension-related adjustments	7,8	3	5
• Changes in fair value of cash flow hedges	7,9	(5)	
Total other comprehensive income/(loss), net of tax		48	(109)
Total comprehensive income		179	46
Less comprehensive income attributable to noncontrolling interests			(1)
Comprehensive income attributable to Adecco Group shareholders		179	45

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

in millions, except share and per share information

For the six months ended 30 June (in EUR)	2024	2023
Cash flows from operating activities		
Net income	131	155
Adjustments to reconcile net income to cash flows from operating activities:		
• Depreciation and amortisation	128	132
• Other charges	(14)	17
Changes in operating assets and liabilities, net of acquisitions and divestitures:		
• Trade accounts receivable	153	(68)
• Accounts payable and accrued expenses	(185)	(180)
• Other assets and liabilities	(118)	(92)
Cash from/(used in) operating activities	95	(36)
Cash flows from investing activities		
Capital expenditures	(60)	(101)
Cash settlements on derivative instruments	(11)	(38)
Other acquisition, divestiture and investing activities, net	(2)	(1)
Cash used in investing activities	(73)	(140)
Cash flows from financing activities		
Net increase in short-term debt	232	172
Repayment of long-term debt	(2)	(2)
Dividends paid to shareholders	(432)	(422)
Purchase of treasury shares	(1)	
Other financing activities, net	(5)	(5)
Cash used in financing activities	(208)	(257)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(11)	(16)
Net decrease in cash, cash equivalents and restricted cash	(197)	(449)
Cash, cash equivalents and restricted cash:		
• Beginning of year	646	909
• End of period	449	460

Consolidated statements of cash flows (continued)

in millions, except share and per share information

The following table provides a reconciliation of cash, cash equivalents and restricted cash to the amounts reported in the Company's consolidated balance sheets:

For the six months ended 30 June (in EUR)	2024	2023
Reconciliation of cash, cash equivalents and restricted cash at beginning of year:		
Current assets:		
• Cash and cash equivalents	556	782
• Restricted cash included in Other current assets	49	86
Non-current assets:		
• Restricted cash included in Other assets	41	41
Cash, cash equivalents and restricted cash at beginning of year:	646	909
Reconciliation of cash, cash equivalents and restricted cash at end of period:		
Current assets:		
• Cash and cash equivalents	336	339
• Restricted cash included in Other current assets	74	76
Non-current assets:		
• Restricted cash included in Other assets	39	45
Cash, cash equivalents and restricted cash at end of period	449	460
Supplemental disclosures of cash paid		
Cash paid for interest	22	18
Cash paid for income taxes	60	78

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of changes in shareholders' equity

in millions, except share and per share information

in EUR	Common shares	Additional paid-in capital	Treasury shares, at cost	Retained earnings	Accumulated other comprehensive income/(loss), net	Noncontrolling interests	Total shareholders' equity
1 January 2024	11	557	(39)	3,398	(332)	6	3,601
Comprehensive income:							
Net income				131			131
Other comprehensive income					48		48
Total comprehensive income							179
Stock-based compensation		9	1				10
Vesting of share awards		(23)	20				(3)
Treasury shares purchased on first trading line			(1)				(1)
Cash dividends, CHF 2.50 per share				(432)			(432)
30 June 2024	11	543	(19)	3,097	(284)	6	3,354

in EUR	Common shares	Additional paid-in capital	Treasury shares, at cost	Retained earnings	Accumulated other comprehensive income/(loss), net	Noncontrolling interests	Total shareholders' equity
1 January 2023¹	11	669	(58)	3,412	(153)	12	3,893
Adoption of ASU 2016-13 ¹				(27)			(27)
1 January 2023 (upon adoption of ASU 2016-13)	11	669	(58)	3,385	(153)	12	3,866
Comprehensive income:							
Net income				154		1	155
Other comprehensive income					(109)		(109)
Total comprehensive income							46
Stock-based compensation		10	1				11
Vesting of share awards		(18)	16				(2)
Cash dividends, CHF 2.50 per share		(110)		(312)			(422)
Other				(1)		(1)	(2)
30 June 2023	11	551	(41)	3,226	(262)	12	3,497

The accompanying notes are an integral part of these consolidated financial statements.

¹ The Company adopted ASU 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" on 1 January 2023. Upon adoption, the Company recorded a cumulative-effect adjustment against Retained earnings of EUR 27 relating to an increase in the allowances for credit losses included within Trade accounts receivable, net of EUR 35 and included within Other current assets of EUR 1, partially offset by an impact on deferred tax assets of EUR 9 included within Other assets.

Notes to consolidated financial statements

in millions, except share and per share information

Note 1 – Summary of significant accounting policies

Basis of presentation and principles of consolidation

The consolidated half year financial statements include Adecco Group AG, a Swiss corporation, its consolidated subsidiaries as well as variable interest entities in which the Adecco Group is considered the primary beneficiary (collectively, the Company).

The Company prepares its consolidated half year financial statements using the same accounting principles and methods of computation that were applied in the audited consolidated financial statements as of 31 December 2023 and for the year then ended with the exception of changes in accounting policies as outlined below in Presentation and reclassifications.

Certain information and footnote disclosures included in the audited consolidated financial statements as of 31 December 2023 have been condensed or omitted. As a result, the financial information in the condensed consolidated financial statements should be read in conjunction with the Company's Annual Report including the Company Report, the Corporate Governance, and the Remuneration Report for the fiscal year ended 31 December 2023.

The reporting currency of the Company is the Euro, which reflects the significance of the Company's Euro-denominated operations. Adecco Group AG's share capital is denominated in Swiss Francs and the Company declares and pays dividends in Swiss Francs.

In the opinion of management, the consolidated half year financial statements reflect all adjustments necessary to present fairly the consolidated balance sheets, the consolidated statements of operations, the consolidated statements of comprehensive income, the consolidated statements of cash flows, the consolidated statements of changes in shareholders' equity, and the accompanying notes.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make judgements, assumptions, and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. On an ongoing basis, management evaluates its estimates, including those related to allowance for doubtful accounts, accruals and provisions, impairment of goodwill and indefinite-lived intangible assets, contingencies, pension accruals, and income taxes. The Company bases its estimates on historical experience and on various other market-specific assumptions that are believed to be reasonable under the circumstances. The results of management's estimates form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

Cash, cash equivalents, restricted cash and short-term investments

Cash equivalents consist of highly liquid instruments having an original maturity at the date of purchase of three months or less.

The Company's policy is to invest excess funds primarily in investments with maturities of 12 months or less, and in money market and fixed income funds with sound credit ratings, limited market risk, and high liquidity.

Restricted cash balances generally consist of deposits made in connection with lease/rent agreements and other refundable deposits, legal claims, cash received from customers but owed to subcontractors and financial institutions, cash subsidies (mainly related to governmental financial supporting programmes) received from authorities but owed to third parties, and funds set aside in connection with outstanding options and warrants arising from acquisitions.

Trade accounts receivable

Trade accounts receivable are recorded at net realisable value after deducting an allowance for doubtful accounts. The Company makes judgements on an entity-by-entity basis as to its ability to collect outstanding receivables and provides an allowance for doubtful accounts based on a specific review of significant outstanding invoices. For those invoices not specifically reviewed, provisions are provided considering historical collection experience, current economic trends as well as forward-looking estimates based on macroeconomic indicators. The expected credit losses are measured based on receivables grouped in aging pools sharing similar risk characteristics. When the receivables do not share similar risk characteristics, expected credit losses are estimated on an individual basis. Where available and when cost effective, the Company utilises credit insurance. Accounts receivable balances are written off when the Company determines that it is unlikely that future remittances will be received, or as permitted by local law. Refer to Note 3 for further details.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Transfers of financial assets

The Company enters into factoring arrangements to transfer trade accounts receivable and other receivables to third-party financial institutions, either with or without recourse. For arrangements without recourse, the transfer is accounted for as a sale when the Company has surrendered control over the transferred receivables. Control is surrendered when (i) the transferred receivables have been put presumptively beyond the reach of the powers of the Company and its creditors, even in the case of bankruptcy or other receivership, (ii) the transferees have the right to freely pledge or exchange the transferred receivables, and (iii) the transferor does not maintain effective control over the transferred receivables and does not have any right or obligation to repurchase or redeem the transferred receivables. When determining whether these sale conditions are met, the Company evaluates the extent of its continuing involvement in the transferred receivables. When the transfers of the receivable are accounted for as a sale, the Company derecognises the carrying value of the transferred receivables from Trade accounts receivables, net in the consolidated balance sheets. The related cash proceeds are reflected as cash from operating activities in the consolidated statements of cash flows. Payments collected but not yet redistributed are recognised as restricted cash in Other current assets in the consolidated balance sheets.

Transfers of receivables that do not meet the conditions of a sale are accounted for as secured borrowings and the transferred receivables remain on the consolidated balance sheets. The proceeds are recognised as Short-term debt and current maturities of long-term debt, and the related cash flows are reflected as cash from financing activities in the consolidated statements of cash flows.

The carrying amounts of assets subject to restrictions which relate to the transfers of financial assets were EUR 25 and EUR 53 as of 30 June 2024 and 31 December 2023, respectively. The aggregate amounts of losses on sales of receivables were EUR 4 and EUR 3 in the first six months of 2024 and 2023, respectively.

Operating leases

The Company enters into operating lease contracts mainly for real estate and motor vehicles resulting in Operating lease right-of-use assets, Current operating lease liabilities and Operating lease liabilities as presented in the Company's consolidated balance sheets. Operating lease right-of-use assets represent the Company's right to use underlying assets for the lease term. Current operating lease liabilities and Operating lease liabilities represent the Company's current- and long-term obligations arising from operating lease contracts.

Non-lease components are separated from lease components for real estate lease contracts, while there is no separation between lease and non-lease components for motor vehicle lease contracts. The Company considers consideration paid in relation to separated non-lease components to already reflect the market value of the leased property and accordingly no further allocation of the lease component consideration is undertaken. The remaining lease terms of operating leases vary from one year to 14 years, some of which contain options to extend the lease term or to terminate the lease with a notice period. The Company considers lease and non-lease components as well as extension options to lease terms in order to establish its Operating lease right-of-use assets and the corresponding current and long-term obligations. For most of the Company's operating leases, an implicit rate is not readily determined. To determine the present value of future lease payments at the commencement date of an operating lease contract, the Company uses its incremental borrowing rate. The incremental borrowing rate is estimated to approximate the external interest rate for the Company and is adjusted based on the economic environment where the leased asset portfolio is located.

Operating lease right-of-use assets are measured at the commencement date of the operating lease contract at the value of the arising operating lease obligations. Operating lease right-of-use assets are further adjusted for any lease prepayments, lease incentives received, initial direct costs and impairment charges incurred. Payments made by the Company to settle operating lease obligations are primarily fixed, however, certain operating lease contracts contain variable payments which are determined based on variable indicators such as the Consumer Price Index, fluctuating property tax rates in a real estate lease or the mileage consumed in a motor vehicle lease. Variable payments are expensed as incurred and are not included in the Operating lease right-of-use assets or Operating lease obligations measurement. Payments made in lease arrangements where the lease term is 12 months or less and where an option to purchase the underlying asset does not exist are similarly expensed as incurred. Operating lease expenses are recognised on a straight-line basis over the lease term and recorded in the consolidated statements of operations, in Direct costs of services, or Selling, general, and administrative expenses, depending on the nature of the expenses.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

New accounting guidance

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". The update improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, and contain other disclosure requirements. The purpose of the amendments is to enable investors to better understand an entity's performance at the segment level. The new guidance is effective for the Company for fiscal years beginning after 15 December 2023, and interim periods within fiscal years beginning after 15 December 2024, with early adoption permitted. The Company will adopt the guidance for the fiscal year ending 31 December 2024.

In December 2023, the FASB issued IASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures". The update mainly requires the disclosure of disaggregated information about a reporting entity's effective tax rate reconciliation as well as disaggregated information on income taxes paid. The new guidance is effective for the Company for fiscal years beginning after 15 December 2024, with early adoption permitted. The Company plans to adopt the guidance for the fiscal year ending 31 December 2025. The Company is currently assessing the impact of this guidance on the consolidated financial statements.

No significant new accounting guidance pronouncements have been considered applicable to the Company in the first six months of 2024.

Presentation and reclassifications

On 1 January 2024, the Company elected to change the accounting method it uses for allocating certain company-based employee and client program costs between the financial statement line items Selling, general and administrative expenses and Costs of services. The Company has concluded this change in accounting method represents a change in accounting principle. This change primarily concerns allocating additional internal consultant costs in the career transition offering of the LHH GBU to Costs of services to reflect their customer-facing responsibilities. The Company believes the change in accounting method is preferable because (1) the new accounting method increases the precision we use in determining the allocation of costs, (2) the change conforms to a single method of accounting for all of the Company's business units and (3) the change aligns with how management intends to evaluate the performance and profitability of the businesses moving forward which, as a result, provides a more meaningful presentation for investors.

The following financial statement lines were affected by the change in accounting principle which has been applied retrospectively.

Consolidated statements of operations

For the six months ended 30 June 2023 (in EUR)	As originally reported	As computed under new method	Effect of change
Direct cost of services	(9,396)	(9,461)	(65)
Gross profit	2,494	2,429	(65)
Selling, general and administrative expenses	(2,198)	(2,133)	65

Additionally, certain other reclassifications have been made to prior period amounts or balances in order to conform to the current period presentation.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 2 – Revenues

Revenues are recognised as the Company satisfies its obligations under a contract with a customer, which is when control of the promised services is transferred to the customer and in an amount that reflects the expected consideration the Company is entitled to in exchange for those services. Revenues are recognised and reported net of any sales taxes.

The following table presents the Company's revenues disaggregated by type of service provided.

For the six months ended 30 June (in EUR)	2024	2023 ¹
Flexible Placement	8,529	8,913
Permanent Placement	326	388
Career Transition	248	246
Outsourcing, Consulting & Other Services	2,303	2,193
Training, Up-skilling & Re-skilling	155	150
Total revenues	11,561	11,890

¹ Comparative period restated to conform to the current year presentation.

In Note 14, revenues are additionally disaggregated by segment and country.

Flexible Placement

Revenues related to Flexible Placement services are generally negotiated and invoiced on an hourly basis. Associates record the hours they have worked and these hours, at the rate agreed with the customer, are then accumulated and billed according to the agreed terms. Flexible Placement contract durations can range from less than one month to multiple years but generally may be terminated earlier if appropriate notice is provided. Flexible Placement service revenues are recognised over time upon rendering the services and in line with the Company's right to invoice the customer. The Company provides Flexible Placement services in the following operating segments: Adecco France; Adecco Northern Europe; Adecco DACH; Adecco Southern Europe & EEMENA; Adecco Americas; Adecco APAC; Akkodis; and LHH.

Permanent Placement

Revenues related to Permanent Placement services are generally recognised at the point in time the candidate begins full-time employment, or once the fee is earned and the Company has no further obligations to the customer. Allowance provisions are established based on historical information for any non-fulfilment of Permanent Placement obligations and presented in Accounts payable and accrued expenses and recorded as a reduction of revenue. The Company provides Permanent Placement services in the following operating segments: Adecco France; Adecco Northern Europe; Adecco DACH; Adecco Southern Europe & EEMENA; Adecco Americas; Adecco APAC; Akkodis; and LHH.

Career Transition

Revenues related to Career Transition are negotiated with the client on a project basis and are generally recognised over time upon rendering the services, such as consulting services where revenue is billed and recognised on an hourly basis or workshops and coaching sessions with stated fees per service. The Company also offers multi-month career transition packages or similar services in which participants are offered a range of services for a fixed price. Fees invoiced prior to providing services are deferred and recorded in Accounts payable and accrued expenses until the services are rendered. These revenues are recognised based on historical usage of offered services by the participants over the duration of service period to best depict the transfer of services to the customer. Additionally, certain contracts may contain multiple performance obligations, in which case the Company allocates revenue to each performance obligation based on the standalone selling prices, generally determined based on the prices it would charge to other customers in similar circumstances. The Company provides Career Transition services in the following operating segments: Adecco Southern Europe & EEMENA; Adecco APAC; and LHH.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Outsourcing, Consulting & Other Services

Revenues related to Outsourcing, Consulting & Other Services are generally recognised over time upon rendering the services. Generally, customers are billed through the weekly or monthly billing cycle based on information reported on timesheets multiplied by the contractual billing rate. Consulting & Other Services also include revenue recognised over time as the services are performed in the amount to which the Company has a right to invoice. Revenues related to other services include Managed Service Programmes (MSP) and Recruitment Process Outsourcing (RPO). Revenue is accrued for services which have been rendered but remain unbilled as of the reporting date. Fees invoiced prior to providing services are deferred and recorded in Accounts payable and accrued expenses until the services are rendered. The Company provides Outsourcing, Consulting & Other Services in the following operating segments: Adecco France; Adecco Northern Europe; Adecco DACH; Adecco Southern Europe & EEMENA; Adecco Americas; Adecco APAC; Akkodis; and LHH.

Training, Up-skilling & Re-skilling

Revenues related to Training, Up-skilling & Re-skilling services are generally recognised over time upon rendering the services depending on the nature of the service contract. These service contracts include consulting services in which the Company will bill the customer at an agreed-upon rate when the services are performed. The service contracts may also include workshops or group coaching sessions for the customer's employees as well as other talent development related offerings, such as skills assessments or resource toolkits. The Company will bill the customer at the stated price per service or price per participant upon rendering the services. Certain contracts may include customised project work in which the Company performs a combination of consulting services, assessments and ongoing coaching sessions. These types of contracts may contain multiple performance obligations, in which case the Company allocates revenue to each performance obligation based on the standalone selling prices, generally determined based on the prices it would charge to other customers in similar circumstances. The Company provides Training, Up-skilling & Re-skilling in the following operating segments: Adecco France; Adecco Northern Europe; Adecco Southern Europe & EEMENA; Adecco Americas; Adecco APAC; Akkodis; and LHH.

Principal vs. agent

The Company determines whether it is a principal or an agent by evaluating if it obtains control of the specified services within an arrangement. For contracts with customers in which the Company is the principal, the Company reports gross revenues and gross direct costs. Under arrangements where the Company is an agent, as is generally the case in most MSP contracts, revenues are reported on a net basis.

Discounts, rebates and other transaction elements

Discounts, rebates and other transaction price adjustments are estimated at contract inception and recognised as reductions to sales over the duration of the contract. The Company uses historical experience to estimate these types of variable consideration and records a liability as the related revenues are recognised. The Company does not expect significant changes to its estimates of variable consideration to occur.

The Company's payment terms in its contracts vary by the type and location of its customer and the services offered. The Company's client contracts are generally short term in nature with a term of one year or less. The Company provides services in the normal course of business at arm's length terms to entities that are affiliated with certain of its officers, Board members, and significant shareholders through investment or board directorship.

Upon rendering services to its customers, the Company generally recognises its unconditional rights to consideration as receivables presented as Trade accounts receivable, net. The period between when services are performed, the customer is billed, and when payment is due is not significant.

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed. Revenues from contracts which do not meet one of these two exemptions are not significant. Revenues from long-term flexible placement and outsourcing contracts will generally be recognised over the next one to three years based on the agreed-upon rates and levels of services performed.

Additionally, the Company recognises incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the contract asset would be one year or less.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 3 – Trade accounts receivable

in EUR	30.06.2024	31.12.2023
Trade accounts receivable	4,406	4,575
Allowance for doubtful accounts	(104)	(109)
Trade accounts receivable, net	4,302	4,466

The reconciliation of changes in the allowance for doubtful accounts is as follows:

in EUR	2024	2023
Balance as of 1 January	(109)	(77)
Adoption of accounting standard update		(35)
Charge to consolidated statements of operations	(4)	(12)
Write-offs charged against the allowance	9	8
Other, including exchange rate differences		(2)
Balance as of 30 June	(104)	(118)

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 4 - Restructuring

Total restructuring costs incurred by the Company in the first six months of 2024 amounted to EUR 46. Restructuring expenses are recorded in SG&A and mainly represent headcount and branch optimisation to address the economic environment and delivery of the Future@Work strategy. Given the dynamic nature of the current economic environment, the amount of future restructuring expenses is currently uncertain.

The following table shows the total amount of restructuring costs incurred by segment:

in EUR	2024	Cumulative costs incurred to 30.06.2024
Restructuring costs		
Adecco France	2	13
Adecco Northern Europe	2	8
Adecco DACH	11	13
Adecco Southern Europe & EEMENA	2	13
Adecco Americas	2	23
Adecco APAC		4
Adecco	19	74
Akkodis	7	65
LHH	11	38
Corporate	9	17
Total restructuring costs	46	194

The changes in restructuring liabilities for the period ended 30 June 2024 are as follows:

in EUR	Restructuring liabilities
1 January 2024	45
Restructuring costs	46
Cash payments	(35)
Write-off of fixed assets, impairment of operating lease right-of-use assets, and other	(7)
30 June 2024	49

As of 30 June 2024, restructuring liabilities in connection with these initiatives of EUR 49 were recorded in Accounts payable and accrued expenses. As of 30 June 2024, the remaining liability related to onerous leases of EUR 21 was recorded in Current operating lease liabilities and Operating lease liabilities.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 5 – Financing arrangements

Short-term debt

The Company's bank overdrafts and other short-term borrowings amounted to EUR 302 as of 30 June 2024, compared to EUR 87 as of 31 December 2023.

Long-term debt

The Company's long-term debt as of 30 June 2024 and 31 December 2023 consists of the following:

in EUR	Principal at maturity	Maturity	Effective yield to maturity ¹	30.06.2024	31.12.2023
60.5-year guaranteed Euro subordinated fixed-to-reset notes	EUR 500	2082	1.29%	496	496
20-year guaranteed Japanese Yen fixed rate notes	JPY 7,000	2039	1.16%	40	45
12-year guaranteed Euro fixed rate notes	EUR 50	2034	4.92%	51	52
15-year guaranteed Japanese Yen fixed rate notes	JPY 6,000	2033	1.08%	35	38
10-year guaranteed Euro medium-term notes	EUR 500	2031	0.56%	498	498
10.25-year guaranteed Norwegian Krone fixed rate notes	NOK 500	2030	2.69%	44	44
10.5-year guaranteed Euro medium-term notes	EUR 300	2029	1.36%	275	277
7-year guaranteed Euro medium-term notes	EUR 500	2028	0.29%	497	496
5-year Swiss Franc fixed rate notes	CHF 300	2027	2.49%	310	322
8-year Swiss Franc fixed rate notes	CHF 100	2026	0.91%	100	103
5.5-year Swiss Franc fixed rate notes	CHF 225	2025	0.95%	228	233
8-year guaranteed Euro medium-term notes	EUR 430	2024	1.16%	431	431
Other				1	24
				3,006	3,059
Less current maturities				(432)	(434)
Long-term debt, less current maturities				2,574	2,625

¹ Effective yield to maturity includes the impact of discounts, premiums and debt issuance costs.

Other credit facilities

Committed multicurrency revolving credit facility

In December 2022, the Company concluded a committed 3-year Euro revolving credit facility of EUR 100 with a maturity date of December 2025. The bilateral facility could be used for general corporate purposes. The interest rate is based on EURIBOR, plus a margin between 0.50% and 1.80% per annum, depending on certain net debt-to-EBITDA ratios. In addition to the interest rate costs, a utilisation fee of 0.075%, 0.15%, or 0.30% applies for total utilisation of up to 33.33%, 66.67%, and above 66.67% of the facility amount, respectively. No utilisation fee shall be payable while the facility is unutilised. As of 30 June 2024, there were no outstanding borrowings under the credit facility.

In February 2023, the Company concluded a committed 3-year Euro revolving credit facility of EUR 150 with a maturity date of February 2026. The bilateral facility could be used for general corporate purposes. The interest rate is based on EURIBOR, plus a margin based on Adecco Group's credit rating. As of 30 June 2024, there were no outstanding borrowings under the credit facility.

In June 2023, the Company entered into a committed 5-year EUR 750 multicurrency revolving credit facility with two 1-year extension options, with an original maturity date of June 2028. In May 2024, the first 1-year extension option was exercised, and the maturity date of the credit facility was extended to June 2029. The facility is used for general corporate purposes including refinancing of advances and outstanding letters of credit. The interest rate is based on EURIBOR for drawings denominated in Euro, plus a margin between 0.225% and 0.55% per annum, depending on certain net debt-to-EBITDA ratios. The applicable margin levels set out above shall be subject to further variation in accordance with certain "ESG Score" provisions. In addition to the interest rate costs, a utilisation fee of 0.075%, 0.15%, or 0.30% applies for total utilisation of up to 33.33%, 66.67%, and above 66.67% of the facility amount, respectively. No utilisation fee shall be payable while the facility is unutilised. The letter of credit fee equals the applicable margin, and the commitment fee equals 35% of the applicable margin. As of 30 June 2024, there were no outstanding borrowings under the credit facility.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 6 – Shareholders' equity

In the first six months of 2024, the number of treasury shares acquired on the regular trading line amounted to 38,000. In the first six months of 2023, no treasury shares were acquired on the regular trading line.

During the six months ended 30 June 2024 and the six months ended 30 June 2023, the Company awarded 23,302 and 25,625 treasury shares, respectively, to the Board of Directors as part of their compensation packages. In addition, in the first six months of 2024 and the first six months of 2023, 455,687 and 368,727 treasury shares, respectively, were used to settle share awards under the long-term incentive plan.

At the 2024 AGM, the shareholders approved a dividend of CHF 2.50 per share outstanding, which was directly distributed to shareholders from voluntary retained earnings in April 2024.

Note 7 – Accumulated other comprehensive income/(loss)

The components of Accumulated other comprehensive income/(loss) (AOCI), net of tax, are as follows:

in EUR	30.06.2024	31.12.2023
Currency translation adjustments	(251)	(301)
Pension-related adjustments	(34)	(37)
Changes in fair value of cash flow hedges	1	6
Accumulated other comprehensive income/(loss), net	(284)	(332)

The following table shows amounts recorded within Total other comprehensive income/(loss) by component for the six months ended 30 June 2024 and 30 June 2023:

in EUR	2024			2023		
	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax
Currency translation adjustments						
Currency translation adjustment of long-term intercompany loans	43	(4)	39	(12)	1	(11)
Currency translation adjustment of net investment hedges	(21)	2	(19)	4		4
Currency translation adjustment, other	30		30	(107)		(107)
Net change during the year	52	(2)	50	(115)	1	(114)
Pension-related adjustments						
Prior service credit/(cost)				4	(1)	3
Net actuarial gain/(loss)	1		1	2		2
Reclassification of (gains)/losses to net income	1	1	2			
Net change during the year	2	1	3	6	(1)	5
Cash flow hedges						
Unrealised gains/(losses) arising during the year	(15)	3	(12)	(11)	2	(9)
Reclassification of (gains)/losses to net income	10	(3)	7	12	(3)	9
Net change during the year	(5)		(5)	1	(1)	
Total other comprehensive income/(loss)	49	(1)	48	(108)	(1)	(109)

The following table presents the amounts and line items in the Consolidated statements of operations where reclassifications from AOCI were recorded, net of tax, for the six months ended 30 June 2024 and 30 June 2023:

in EUR	Location	(Gains)/losses reclassified from AOCI	
		2024	2023
Pension-related adjustments	Other income/(expenses), net	2	
Cash flow hedges	Other income/(expenses), net	8	10
	Interest expense	(1)	(1)
Total amount reclassified, net of tax		9	9

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 8 – Employee benefit plans

For the six months ended 30 June 2024 and 30 June 2023, estimated net pension expense for the defined benefit plans are as follows:

in EUR	Swiss plans		Non-Swiss plans	
	2024	2023	2024	2023
Components of pension expense				
Service cost	14	13	6	6
Interest cost	3	3	7	7
Expected return on plan assets	(9)	(6)	(5)	(5)
Curtailment/Settlement (gain)/loss			1	(3)
Pension expense, net	8	10	9	5

All components of pension expense, net, other than service cost, are included in the line item Other income/(expenses), net, in the statement of operations.

Note 9 – Financial instruments

Risk and use of derivative instruments

The Company conducts business in various countries and funds its subsidiaries in various currencies and is therefore exposed to the effects of changes in foreign currency exchange rates. In order to mitigate the impact of currency exchange rate fluctuations, the Company assesses its exposure to currency risk and hedges certain risks through the use of derivative instruments.

As the Company is exposed to interest rate risk through its financial investments and borrowings, the Company manages this risk using derivative financial instruments such as interest rate swaps. Using inputs such as management guidance, macro environment and financial market conditions as well as underlying exposure duration, the Company endeavours to optimise its fix/floating rate mix profile and optimally manage interest expense. The Company has entered into interest rate swaps to hedge or offset the fixed interest rates on the hedged item, matching the amount and timing of the hedged item and subsequently allowing it to adapt the profile of its outstanding debt.

The main objective of holding derivative instruments is to minimise the volatility of earnings arising from these exposures in the absence of natural hedges. The responsibility for assessing exposures as well as entering into and managing derivative instruments is centralised in the Company's treasury department. The activities of the treasury department are covered by corporate policies and procedures approved by the Board of Directors, which limit the use of derivative instruments for trading and speculative purposes. Group management approves the hedging strategy and monitors the underlying market risks.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Fair value of derivative financial instruments

The following table shows the notional amount and the fair value of derivative financial instruments as of 30 June 2024 and 31 December 2023:

in EUR	Consolidated balance sheet location	Notional amount		Fair value	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
Derivative assets					
Derivatives designated as hedging instruments under ASC 815:					
• Foreign currency contracts	Other current assets	253	297	2	14
• FX options	Other current assets	163	272	1	7
• Interest rate swaps	Other assets	50	50	1	2
Derivatives not designated as hedging instruments under ASC 815:					
• Foreign currency contracts	Other current assets	257	92	3	1
• Cross-currency interest rate swaps	Other assets	35	39	15	11
Derivative liabilities					
Derivatives designated as hedging instruments under ASC 815:					
• Foreign currency contracts	Other accrued expenses	169		2	
• FX options	Other accrued expenses	163	272	1	
• Interest rate swaps	Other liabilities	538	550	33	35
• Cross-currency interest rate swaps	Other liabilities	119	128	44	34
Derivatives not designated as hedging instruments under ASC 815:					
• Foreign currency contracts	Other accrued expenses	530	369	5	9
• Cross-currency interest rate swaps	Other liabilities	35	39	15	11
Total net derivative asset/(liability)				(78)	(54)

In addition, accrued interest receivable and payable on interest rate swaps of EUR 2 and EUR (2) was recorded in Other current assets and Other accrued expenses as of 30 June 2024 and 31 December 2023 respectively. As of 30 June 2024, accrued interest receivable and payable on cross-currency interest rate swaps of EUR 1 and EUR (1) was recorded in Other current assets and Other accrued expenses, respectively. As of 31 December 2023, accrued interest receivable and payable on cross-currency interest rate swaps of EUR 1 and EUR (1) was recorded in Other current assets and Other accrued expenses, respectively.

Fair value hedges

Interest rate swaps that contain a receipt of fixed interest rate amounts and payment of floating interest rate amounts have been designated as fair value hedges for a portion of the EUR notes issued by Adecco International Financial Services BV and for a portion of the CHF notes issued by Adecco Group AG.

The gain/(loss) recognised in earnings related to the fair value hedges is as follows:

For the six months ended 30 June (in EUR)	Location of gain/(loss) in Consolidated statements of operations	2024		2023	
		Recognised on derivatives	Recognised on hedged item	Recognised on derivatives	Recognised on hedged item
Derivatives designated as fair value hedges					
• Interest rate swaps	Interest expense			6	(6)

Notes to consolidated financial statements (continued)

in millions, except share and per share information

The Company recorded a gain of EUR 1 and EUR 1 in the first six months of 2024 and 2023, respectively, in interest expense related to the amortisation of terminated hedges.

Furthermore, the net swap settlements that accrue each period are also reported in interest expense. No significant gains or losses were excluded from the assessment of hedge effectiveness of the fair value hedges in the first six months of 2024 or the first six months of 2023.

The following table shows the amounts recorded in the consolidated balance sheets related to cumulative basis adjustments for fair value hedges as of 30 June 2024 and 31 December 2023:

In EUR	30.06.2024			31.12.2023		
	Carrying amount of hedged items	Cumulative amount of fair value hedging adjustment gain/(loss) included in the carrying amount of the hedged items	Cumulative amount of fair value hedging adjustment remaining for which hedge accounting has been discontinued	Carrying amount of hedged items	Cumulative amount of fair value hedging adjustment gain/(loss) included in the carrying amount of the hedged items	Cumulative amount of fair value hedging adjustment remaining for which hedge accounting has been discontinued
Current liabilities:						
• Current maturities of long-term debt			(1)			(2)
Non-current liabilities:						
• Long-term debt, less current maturities	555	31		566	32	

Cash flow hedges

Cross-currency interest rate swaps designated as cash flow hedges are used to offset foreign currency exchange rate fluctuations on long-term debt instruments. The Company further uses foreign currency contracts designated as cash flow hedges to mitigate exposure to foreign currency exchange rate volatility arising from intercompany cash flows within the next 12 months denominated in other currencies than Swiss Francs. Interest rate swaps designated as cash flow hedges are used to lock in interest rates prior to the issuance of debt.

For derivative instruments designated as cash flow hedges, the effective portion of the changes in the fair value of derivative instruments is reclassified into earnings in the same period as the hedged transaction impacts earnings.

The following table shows the gain/(loss) recorded in Other comprehensive income/(loss) and reclassified from Other comprehensive income/(loss) to earnings related to derivatives designated as cash flow hedges:

For the six months ended 30 June (in EUR)	Location of gain/(loss) in Consolidated statements of operations	2024		2023	
		Recognised gain/(loss) in Other comprehensive income/(loss)	Reclassified gain/(loss) from Other comprehensive income/(loss) to earnings	Recognised gain/(loss) in Other comprehensive income/(loss)	Reclassified gain/(loss) from Other comprehensive income/(loss) to earnings
Derivatives designated as cash flow hedges					
• Foreign currency contracts	Other income/(expenses), net	(6)	(1)	1	1
• Cross-currency interest rate swaps	Other income/(expenses), net	(9)	(10)	(12)	(14)
• Interest rate swaps	Interest expense		1		1

No significant gains or losses were recorded in the first six months of 2024 or the first six months of 2023 due to ineffectiveness in cash flow hedge relationships. No significant gains or losses were excluded from the assessment of hedge effectiveness of the cash flow hedges in the first six months of 2024 and the first six months of 2023. Within the next 12 months, the Company expects to reclassify EUR (1) currently reported in Accumulated other comprehensive income/(loss), net into Other income/(loss), net and EUR 1 currently reported in Accumulated other comprehensive income/(loss), net into Interest expense from cash flow hedges.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Net investment hedges

The Company has entered into certain derivative contracts that are designated as net investment hedges under ASC 815. Foreign currency contracts and FX options are mainly used to hedge a portion of certain investments with operations in different currencies against Swiss Francs.

The following table shows the gain/(loss) recorded in Other comprehensive income/(loss) and reclassified from Other comprehensive income/(loss) to earnings and amounts excluded from hedge effectiveness assessment related to net investment hedges:

For the six months ended 30 June (in EUR)	Location of gain/(loss) in Consolidated statements of operations	2024			2023		
		Recognised gain/(loss) in Other comprehensive income/(loss)	Reclassified gain/(loss) from Other comprehensive income/(loss) to earnings	Gain/(loss) excluded from effectiveness assessment	Recognised gain/(loss) in Other comprehensive income/(loss)	Reclassified gain/(loss) from Other comprehensive income/(loss) to earnings	Gain/(loss) excluded from effectiveness assessment
Derivatives designated as net investment hedges							
• Foreign currency contracts	Other income/(expenses), net	(11)		(5)	4		(2)
• FX options	Other income/(expenses), net	(10)		(3)			(1)

Other hedge activities

The Company has entered into certain derivative contracts that are not designated or do not qualify as hedges under ASC 815. Foreign currency contracts and cross-currency interest rate swaps are mainly used to hedge the net exposure of subsidiary funding advanced in the local operations' functional currency. Contracts are entered into in accordance with the Company's approved treasury policies and procedures and represent economic hedges. Gains and losses on these contracts are recognised in earnings and are included in Other income/(expenses), net, in the accompanying consolidated statements of operations.

The following table shows the gain/(loss) recognised in earnings related to derivatives not designated as hedging instruments:

For the six months ended 30 June (in EUR)	Location of gain/(loss) in Consolidated statements of operations	Gain/(loss) on derivative recognised in earnings	
		2024	2023
Derivatives not designated as hedging instruments			
• Foreign currency contracts	Other income/(expenses), net	8	(17)

Credit risk concentration

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash investments, short-term investments, trade accounts receivable, and derivative financial instruments. The Company places its cash and short-term investments in major financial institutions throughout the world, which management assesses to be of high credit quality, in order to limit the exposure of each investment.

Credit risk with respect to trade accounts receivable is dispersed due to the international nature of the business, the large number of customers, and the diversity of industries serviced. The Company's receivables are well diversified, and management performs credit evaluations of its customers and, where available and cost-effective, utilises credit insurance.

To minimise counterparty exposure on derivative instruments, the Company enters into derivative contracts with several large multinational banks and limits the level of exposure on short-term investments with each counterparty.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 10 – Fair value measurement

The following table represents the Company's assets and liabilities that are measured at fair value on a recurring basis as of 30 June 2024 and 31 December 2023:

in EUR	Balance sheet location	Level 1	Level 2	Level 3	Total
30 June 2024					
Assets					
Money market funds	Cash and cash equivalents	117			117
Derivative assets	Other current assets		6		6
Derivative assets	Other assets		16		16
Equity securities	Other assets	12			12
Liabilities					
Derivative liabilities	Other accrued expenses		8		8
Derivative liabilities	Other liabilities		92		92
31 December 2023					
Assets					
Money market funds	Cash and cash equivalents	154			154
Derivative assets	Other current assets		22		22
Derivative assets	Other assets		13		13
Equity securities	Other assets	13			13
Liabilities					
Derivative liabilities	Other accrued expenses		9		9
Derivative liabilities	Other liabilities		80		80

The Company recognised an unrealised loss of EUR 2 in the first six months of 2024 on equity securities still held at the reporting date. No equity securities were sold as of 30 June 2024.

The Company uses the following methods and assumptions in estimating the fair values of financial assets and liabilities measured at fair value on a recurring basis:

- **Money market funds and equity securities:** The fair value of money market funds and equity securities is estimated using quoted market prices.
- **Derivative assets and liabilities:** The fair values of interest rate swaps and foreign currency contracts are calculated using the present value of future cash flows based on observable market inputs. FX options are valued based on a Black-Scholes model, using major observable market inputs. The Company adds an adjustment for non-performance risk in the recognised measure of fair value of derivative instruments. The non-performance adjustment reflects the Credit Default Swap (CDS) applied to the exposure of each transaction. The Company uses the counterparty CDS spread in the case of an asset position and its own CDS spread in the case of a liability position. As of 30 June 2024 and 31 December 2023, the total impact of non-performance risk and liquidity risk was an adjustment of EUR 1 and EUR 1, respectively.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Disclosure about financial instruments carried on a cost basis

The following table represents the fair values of the Company's assets and liabilities carried on a cost basis as of 30 June 2024 and 31 December 2023:

in EUR	Carrying value	Level 1	Level 2	Level 3	Total fair value
30 June 2024					
Liabilities					
Current maturities of long-term debt (excluding finance lease obligations)	431	426			426
Long-term debt, less current maturities (excluding finance lease obligations)	2,574	2,337			2,337
31 December 2023					
Liabilities					
Current maturities of long-term debt (excluding finance lease obligations)	431	422			422
Long-term debt, less current maturities (excluding finance lease obligations)	2,604	2,381			2,381

The Company uses the following methods and assumptions in estimating fair values of financial instruments carried on a cost basis:

- **Short-term debt:** The carrying amount approximates the fair value given the short maturity of such instruments.
- **Long-term debt, including current maturities of long-term debt** (excluding finance lease obligations): The fair value of the Company's publicly traded long-term debt is estimated using quoted market prices (refer to Note 6 for details of debt instruments).

Note 11 – Other income/(expenses), net

For the first six months of 2024 and the first six months of 2023, Other income/(expenses), net, consist of the following:

in EUR	2024	2023
Foreign exchange gain/(loss), net	(4)	(9)
Interest income	8	10
Proportionate net income of equity method investments	1	(1)
Other non-operating income/(expenses), net	(12)	(10)
Total other income/(expenses), net	(7)	(10)

Other non-operating income/(expense), net includes an expense related to Digital Venture Incentive Plans of EUR 9 and EUR 15 in the first six months of 2024 and 2023, respectively.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 12 – Income taxes

Adecco Group AG is incorporated in Switzerland and the Company operates in various countries with different tax laws and rates. A substantial portion of the Company's operations are outside Switzerland. Since the Company operates worldwide, the weighted-average effective tax rate will vary from year to year depending on the earnings mix by country. Income taxes for the first six months of 2024 were provided at a rate of 33%, based on the Company's current estimate of the annual effective tax rate. For the first six months of 2023, the tax rate was 27%.

The income tax rate in the first six months of 2024 and in the first six months of 2023 includes the positive impact of EUR 3 and negative impact of EUR 1, respectively, from tax disputes, prior year adjustments, the expiration of the statute of limitations, and other discrete events.

As of 30 June 2024, the total amount of unrecognised tax benefits recorded increased by EUR 7 compared to 31 December 2023 primarily due to the current year additions offset by payments, the expiration of the statute of limitations and fluctuations in foreign currency exchange rates. As of 30 June 2023, the total amount of unrecognised tax benefits recorded increased by EUR 8 compared to 31 December 2022 primarily due to the current year additions and fluctuations in foreign currency exchange rates, offset by the expiration of the statute of limitations.

The Company and its subsidiaries file income tax returns in multiple jurisdictions with varying statutes of limitations. Based on the outcome of examinations, or as a result of the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the related unrecognised tax benefits for tax positions taken regarding previously filed tax returns could materially change in the next 12 months from those recorded as liabilities for uncertain tax positions in the Company's financial statements. An estimate of the range of the possible change cannot be made until issues are further developed or examinations close.

Significant estimates are required in determining income tax expense and benefits. Various internal and external factors may have favourable or unfavourable effects on the future effective tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, results of tax audits, and changes in the overall level of pre-tax earnings.

Note 13 – Earnings per share

The following table sets forth the computation of basic and diluted earnings per share for the six months ended 30 June 2024 and 30 June 2023:

in EUR (except number of shares)	2024		2023	
	Basic	Diluted	Basic	Diluted
Numerator				
Net income attributable to Adecco Group shareholders	131	131	154	154
Denominator				
Weighted-average shares	167,821,705	167,821,705	167,321,182	167,321,182
Incremental shares for assumed conversions:				
• Employee stock-based compensation		699,177		450,945
Total average equivalent shares	167,821,705	168,520,882	167,321,182	167,772,127
Per share amounts				
Net earnings per share	0.78	0.78	0.92	0.92

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 14 – Segment reporting

The Company organises its business along three distinct Global Business Units (GBU): Adecco, Akkodis and LHH. The primary segment reporting is therefore built on a brand-driven organisational model structured around solutions-based business groups comprising Adecco (further split by geography: France; Northern Europe; DACH; Southern Europe & EEMENA; Americas; and APAC), Akkodis, and LHH. The structure is complemented by secondary segment reporting of the Company's service lines (comprising Flexible Placement; Permanent Placement; Career Transition; Outsourcing, Consulting & Other Services; and Training, Up-skilling & Re-skilling).

The prior year information has been restated to reflect the Group's change in accounting principle concerning the allocation of certain company-based employee and client program costs between Selling, general and administrative expenses and Direct costs of services as well as the presentation of certain intercompany transactions in the determination of revenues and costs by segment.

The Company evaluates the performance of its segments based on operating income before amortisation of intangible assets, which is defined as the amount of income before amortisation of intangible assets, interest expense, other income/(expenses), net, and provision for income taxes. Corporate items consist of certain assets and expenses which are separately managed at the corporate level. The Company has not disclosed the segment assets because management does not currently review segment assets by Global Business Unit. The accounting principles used for the segment reporting are those used by the Company.

Revenues derived from Flexible Placement represented 74% for the first six months of 2024 and 75% for the first six months of 2023 of the Company's revenues. The remaining portion was derived from Permanent Placement, Career Transition, Outsourcing, Consulting & Other Services, and Training, Up-skilling & Re-skilling.

in EUR	Adecco France	Adecco Northern Europe	Adecco DACH	Adecco Southern Europe & EEMENA	Adecco Americas	Adecco APAC	Elimination	Adecco	Akkodis	LHH	Corporate and Other	Elimination	Total
Six months ended 30 June 2024													
Revenues from external customers	2,270	1,081	845	2,249	1,253	1,171		8,869	1,786	906			11,561
Revenues from intersegment transactions	1	(1)		4	16	2	(1)	21	40	(23)		(38)	
Operating income before amortisation of intangible assets and impairment of goodwill	58	11	(1)	128	7	66		269	86	49	(126)		278
Amortisation of intangible assets													(43)
Operating income													235
Interest expense, and other income/(expenses), net													(43)
Provision for income taxes													(61)
Net income													131

Notes to consolidated financial statements (continued)

in millions, except share and per share information

in EUR	Adecco France	Adecco Northern Europe	Adecco DACH	Adecco Southern Europe & EEMENA	Adecco Americas	Adecco APAC	Elimination	Adecco	Akkodis	LHH	Corporate and Other	Elimination	Total
Six months ended 30 June 2023¹													
Revenues from external customers	2,450	1,169	811	2,141	1,354	1,115		9,040	1,882	968			11,890
Revenues from intersegment transactions		2	1	6	9	3	(1)	20	44	(32)		(32)	
Operating income before amortisation of intangible assets and impairment of goodwill	97	16	7	119	(2)	62		299	80	55	(117)		317
Amortisation of intangible assets													(56)
Operating income													261
Interest expense, and other income/(expenses), net													(47)
Provision for income taxes													(59)
Net income													155

¹ Restated to conform to the current year presentation.

The following table presents the Company's revenues disaggregated by country.

in EUR	France	USA	UK	Germany	Japan	Italy	Switzerland	Rest of the world	Elimination	Total
Six months ended 30 June 2024	2,736	1,434	784	902	813	1,309	254	3,378	(49)	11,561
Six months ended 30 June 2023 ¹	2,917	1,696	782	892	848	1,299	250	3,248	(42)	11,890

¹ Restated to conform to the current year presentation.

Note 15 – Commitments and contingencies

Guarantees and standby letters of credit

The Company has entered into certain guarantee contracts and standby letters of credit that total EUR 990. The guarantees primarily relate to government requirements for operating a temporary staffing business in certain countries and are generally renewed annually. The standby letters of credit mainly relate to workers' compensation. If the Company is not able to obtain and maintain letters of credit and/or guarantees from third parties, then the Company would be required to collateralise its obligations with cash. Due to the nature of these arrangements and historical experience, the Company does not expect to be required to collateralise its obligations with cash.

Contingencies

In the ordinary course of business, the Company is involved in various legal actions and claims, including those related to social security charges, other payroll-related charges, and various employment-related matters.

On 18 July 2018, the French competition authority commenced an investigation of AKKA Technologies and certain of its competitors with regards to alleged anti-competitive practices in France. The Company is fully co-operating with the French competition authority. Up to the date of this report, the Company has not received any statement of objections by the French competition authorities.

Although the outcome of the legal proceedings cannot be predicted with certainty, the Company believes it has adequately reserved for such matters.

Note 16 – Subsequent events

The Company has evaluated subsequent events through 5 August 2024, the date the financial statements were available to be issued. No other significant events occurred subsequent to the balance sheet date but prior to 5 August 2024 that would have a material impact on the consolidated financial statements.

Non-US GAAP information and financial measures

in millions, except share and per share information

Non-US GAAP information and financial measures

The Company uses non-US GAAP financial measures for management purposes. The principal non-US GAAP financial measures discussed herein are constant currency, organic growth, EBITA, EBITA excluding one-offs, conversion ratio, free cash flow, cash conversion, net debt, and net debt to EBITDA excluding one-offs, which are used in addition to, and in conjunction with, results presented in accordance with US GAAP.

The aforementioned non-US GAAP financial measures should not be relied upon to the exclusion of US GAAP financial measures, but rather reflect additional measures of comparability and means of viewing aspects of the Company's operations that, when viewed together with the US GAAP results, provide a more complete understanding of factors and trends affecting the Company's business.

Because non-US GAAP financial measures are not standardised, it may not be possible to compare the Company's measures with other companies' non-US GAAP financial measures having the same or a similar name. Management encourages investors to review the Company's financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

Bill rate

An average hourly billing rate for flexible placement services indicating current price levels.

Pay rate

An average hourly payroll rate including social charges for flexible placement services indicating current costs.

Constant currency

Constant currency comparisons are calculated by multiplying the prior year functional currency amount by the current year foreign currency exchange rate. Management believes that constant currency comparisons are important supplemental information because these comparisons exclude the impact of changes in foreign currency exchange rates, which are outside the Company's control, and focus on the underlying growth and performance.

Organic growth

Organic growth figures exclude the impact of currency, acquisitions, and divestitures. Management believes that organic growth comparisons are important supplemental information because these comparisons exclude the impact of changes resulting from foreign currency exchange rate fluctuations, acquisitions, and divestitures.

EBITA

EBITA refers to operating income before amortisation and impairment of goodwill and intangible assets. Management believes that EBITA is important supplemental information because it focuses on the underlying growth and performance of the Company's business.

EBITA excluding one-offs

EBITA excluding one-offs refers to EBITA adjusted for items impacting comparability. Management believes that EBITA excluding one-offs is important supplemental information because it excludes the effect of items that are not expected to recur in future periods, and therefore shows more clearly the underlying performance of the Company's business.

EBITDA

EBITDA refers to operating income before amortisation and impairment of goodwill and intangible assets and depreciation. Management believes that EBITDA is important supplemental information because it focuses on the underlying growth and performance of the Company's business excluding non-recurring charges.

EBITDA excluding one-offs

EBITDA excluding one-offs refers to EBITDA adjusted for items impacting comparability. Management believes that EBITDA excluding one-offs is important supplemental information because it excludes the effect of items that are not expected to recur in future periods, and therefore shows more clearly the underlying performance of the Company's business excluding non-cash charges.

Conversion ratio

EBITA as a percentage of gross profit. Management believes that the conversion ratio is important supplemental information because this ratio displays the efficiency with which gross profit is converted to EBITA. The Company uses this metric to manage productivity and profitability.

Free cash flow (FCF)

Free cash flow (FCF) comprises cash flow from operating activities less capital expenditures. Management believes that FCF is important supplemental information because it represents the cash generated by the Company after the investments in assets necessary to support existing business activities and to pursue internal growth opportunities.

Cash conversion

Cash conversion is calculated as free cash flow before interest and tax paid (FCFBIT) divided by EBITA excluding one-offs. Management believes that cash conversion is important supplemental information because it represents how much underlying operating profit is converted into cash flows of the Company before the impact of interest and taxes paid.

Days sales outstanding (DSO)

Accounts receivable turnover. Management believes that DSO is important information as it represents the average time taken to collect accounts receivable.

Net debt

Net debt comprises short-term and long-term debt less cash and cash equivalents and short-term investments. Management believes that net debt is important supplemental information because it is one metric the Company uses to monitor outstanding debt obligations.

Net debt to EBITDA excluding one-offs

Management believes that net debt to EBITDA excluding one-offs is important supplemental information because it is one metric the Company uses to monitor its ability to meet outstanding debt obligations.

Adjusted earnings per share

Adjusted earnings per share refers to Net income attributable to Adecco Group shareholders before amortisation and impairment of goodwill and intangible assets, excluding one-off costs and exceptional tax items, divided by basic weighted-average shares outstanding.

Addresses

Registered office

Adecco Group AG
Bellerivestrasse 30
CH-8008 Zürich

Contact details

Adecco Group AG
Bellerivestrasse 30
CH-8008 Zürich
T +41 44 878 88 88

The Adecco Group Investor Relations

T +41 44 878 89 89
investor.relations@adecgroup.com
adecgroup.com/investors

The Adecco Group Press Office

T +41 44 878 87 87
media@adecgroup.com

The Adecco Group on the web

adecgroup.com
facebook.com/theadecgroup
twitter.com/adecgroup
instagram.com/adecgroup
youtube.com/user/AdeccoGroup
LinkedIn The Adecco Group

THE ADECCO GROUP

Adecco *AKKODIS* LHH