



## THE ADECCO GROUP

AD HOC ANNOUNCEMENT pursuant to Art. 53 Listing Rules of SIX Swiss Exchange  
Group press release, Zurich, Switzerland, February 24, 2022

# Q4 & FY21 RESULTS

## Revenue momentum accelerates, margins strong

### Q4 HIGHLIGHTS

- Revenues +3% sequentially, +1% yoy organic TDA<sup>1</sup>, led by Modis +14%
- Gross profit +7% organic yoy; led by Adecco +7% and LHH's Recruitment Solutions +c.35%
- 20.7% gross profit margin driven by portfolio, favourable mix and pricing
- EBITA excluding one-offs<sup>2</sup> €259 million; 4.7% margin, reflecting cost discipline while investing in growth
- Operating income €191 million; Net Income €184 million; Basic EPS €1.11, up 21% yoy

### FULL YEAR HIGHLIGHTS

- Revenues +9% yoy organic TDA<sup>1</sup>; Gross profit +15% organic yoy
- Leading gross profit margin of 20.4%, driven by portfolio, favourable mix and pricing
- EBITA excluding one-offs<sup>2</sup> €953 million; 4.6% margin sector-leading
- Operating income €780 million; Net Income €586 million; Basic EPS €3.62
- Cash flow from operating activities €722 million; cash conversion 83%
- Good strategic delivery: GBU organisation put in place; AKKA acquisition announced; LHH re-brand underway
- Acquisition of majority stake in AKKA completed; good line of sight on €15 million 2022 EBITA synergies
- Proposed dividend per share CHF 2.50, composed of CHF 1.25 gross plus CHF 1.25 from reserves not subject to withholding tax

**Alain Dehaze, Adecco Group CEO, commented:** "Good progress has been made in the first year of implementation of our Future@Work strategy. We have established all three GBUs as Global Leaders, and accelerated our pivot to higher value services, as evidenced by this year's record gross margin level. At the GBU level, Modis delivered outstanding performance in 2021, with strong top line growth and margin uplift, providing a strong foundation for the upcoming integration of AKKA. In LHH, Recruitment Solutions excelled, taking market share in permanent recruitment, while Career Transition navigated lower demand for their services. Adecco delivered sector-leading profitability through 2021, while continued investment supported improved sequential revenue momentum in the last quarter. Looking ahead, while recognising ongoing pandemic related challenges, we expect healthy demand for the Group's services in 2022, and are investing to accelerate sustainable, profitable growth."

### KEY FIGURES

EUR millions, unless otherwise stated	Q4 21	Q4 20	CHANGE		FY 21	FY 20	CHANGE	
			Reported	Organic			Reported	Organic
Revenues	5,495	5,406	+2%	+1% <sup>1</sup>	20,949	19,561	+7%	+9% <sup>1</sup>
Gross profit	1,140	1,060	+8%	+7%	4,281	3,789	+13%	+15%
EBITA excl. one-offs <sup>2</sup>	259	260	0%	0%	953	709	+34%	+38%
Operating income	191	224	-15%	-15% <sup>3</sup>	780	118	n.m.	n.m.
Net income/(loss) <sup>4</sup>	184	149	+23%		586	(98)	n.m.	
Basic EPS	1.11	0.92	+21%		3.62	(0.61)	n.m.	
Gross profit margin	20.7%	19.6%	+110 bps	+110 bps	20.4%	19.4%	+100 bps	+110 bps
EBITA margin excl. one-offs	4.7%	4.8%	-10 bps		4.6%	3.6%	+100 bps	
Cash flow from operating activities	272	159	+113		722	720	+2	
Cash conversion ratio <sup>2</sup>	83%	123%			83%	123%		
Net debt/EBITDA excl. one-offs <sup>2</sup>	0.0x	0.4x			0.0x	0.4x		

Unless otherwise noted, all growth rates in this release refer to same period in prior year. <sup>1</sup> On an organic and trading days adjusted basis. <sup>2</sup> For further details on the use of non-GAAP measures in this release, refer to the Financial Information section and the Additional Information Section of the 2020 Annual Report. <sup>3</sup> In constant currency terms. <sup>4</sup> Attributable to Adecco Group shareholders.

## Q4 21 financial performance

### Revenues

Fourth quarter revenues of EUR 5,495 million were up 1 percent organic and TDA (2 percent reported). Currency translation effects had a net positive impact of around 100 basis points and M&A activities a net negative impact of 50 basis points. The number of working days had a positive impact of 50 basis points. On a sequential basis, revenues improved by approximately 3 percent, to around 2 percent below 2019 levels (from 5 percent below 2019 levels in the third quarter period).

At the Business Unit level, organically and TDA, Adecco's revenues were flat (up 1 percent reported), LHH (Talent Solutions) revenues rose 4 percent (2 percent reported), while Modis' revenues grew 14 percent (11 percent reported).

In terms of service lines, Permanent Placement was up 69 percent organically (70 percent reported), while Outsourcing, Consulting & Other Services was up 16 percent (12 percent reported) and Training, Upskilling and Reskilling was up 15 percent (17 percent reported). Strength across these services lines was offset by the counter-cyclical Career Transition services, which were 39 percent lower (29 percent reported), and Flexible Placement services, which were 1 percent lower (1 percent reported). All compared to the prior year and on an organic basis.

### Q4 REVENUES (CHANGE YEAR-ON-YEAR)

Group, by growth driver		Group, by Global Business Unit			Group, by Service Line		
			Reported	Organic, TDA		Reported	Organic
<b>Organic, TDA</b>	<b>+1%</b>	Adecco	<b>+1%</b>	0%	Flexible Placement	-1%	-1%
TDA	+0.5%	LHH	<b>+2%</b>	+4%	Permanent Placement	+70%	+69%
Currency	+1.0%	Modis	<b>+11%</b>	+14%	Career Transition	-29%	-39%
M&A	-0.5%				Outsourcing, Consulting & Other Services	+12%	+16%
					Training, Upskilling & Reskilling	+17%	+15%
<b>Group</b>	<b>+2%</b>	<b>Group</b>	<b>+2%</b>	<b>+1%</b>	<b>Group</b>	<b>+2%</b>	<b>+2%</b>

### Gross profit

Fourth quarter gross profit was EUR 1,140 million, up 7 percent organically (8 percent reported). Gross margin was 20.7 percent, up 110 basis points organically (110 basis points reported), reflecting portfolio shift, favourable mix and better pricing.

On an organic basis, gross profit margins reflect expansion of 40 basis points in Flexible Placement, 110 basis points in Permanent Placement and 30 basis points in Other Services (Outsourcing, Consulting and Training, Upskilling & Reskilling), partially offset with 70 basis points contraction in Career Transition. Currency effects and M&A activities were neutral.

### **Selling, General & Administrative expenses (SG&A)**

SG&A excluding one-offs was EUR 886 million, 10 percent higher organically (10 percent reported). Strong cost saving measures reduced G&A spend, while the Group continued to invest in sales capacity and digital to drive future growth and productivity. Full-time employees increased to 34,574, up 11 percent organically.

### **EBITA**

EBITA excluding one-offs was EUR 259 million, flat on an organic basis.

The EBITA margin excluding one-offs was 4.7 percent, 10 basis points lower, given substantially reduced support scheme benefits when compared to the prior year, and reflecting good cost discipline and investments to accelerate growth. The conversion ratio (gross profit into EBITA excluding one-offs) was 22.8 percent, with strong performance in Adecco and Modis dampened by LHH (Talent Solutions).

One-off charges were EUR 48 million, mainly due to restructuring in LHH (Talent Solutions), higher than the EUR 7 million recorded in the prior year period.

The FESCO Adecco JV in China contributed EUR 6 million, from EUR 2 million in the prior year period.

### **Amortisation of Intangibles**

Amortisation of intangible assets was EUR 20 million in the quarter, at the same level as the prior year period.

### **Operating income**

The Group generated an operating income of EUR 191 million, 15 percent lower, mainly owing to higher levels of one-off costs.

### **Net income and EPS**

Net income attributable to Adecco Group shareholders was EUR 184 million, up 23 percent. The fourth quarter result reflects net interest expense of EUR 10 million, inclusive of one-time financial costs incurred as part of the financing package for the acquisition of AKKA Technologies. Income taxes were EUR 1 million, around zero percent, mainly benefiting from the recognition of deferred tax assets and other discrete items. Excluding these benefits, the effective tax rate was 25 percent.

Basic EPS was EUR 1.11, up 21 percent compared to the prior year period's EUR 0.92.

### **Cash flow and net debt**

Cash flow from operating activities was EUR 272 million in the quarter, compared to EUR 159 million in the prior year period. DSO was 51 days, compared to 49 days in Q4 2020. The cash conversion ratio was a healthy 83 percent, compared to 123 percent in 2020, reflecting normal working capital increase to support the Group's growth.

Net debt was EUR 48 million at end December 2021, compared to EUR 376 million at end December 2020. In Q4 2021 the Net debt to EBITDA excluding one-offs was at zero times. The lower net debt level is mainly a result of the funding secured in September 2021 for the acquisition of AKKA Technologies in 2022.

## Global Business Unit results

Unless otherwise noted, all growth rates in this section refer to the same period in the prior year, with revenues stated on an organic and trading days adjusted (TDA) basis, and EBITA or EBITA margins stated excluding one-offs.

### ADECCO

EUR millions, unless otherwise stated	Revenues				EBITA margin excl. one-offs	
	Q4 21	Q4 20	CHANGE (yoy)		Q4 21	CHANGE (bps, yoy)
			Reported	Organic, TDA		
<b>Adecco</b>	<b>4,467</b>	<b>4,444</b>	<b>+1%</b>	<b>0%</b>	<b>5.2%</b>	<b>+10</b>
France	1,243	1,172	+6%	+5%	6.1%	+30
Northern Europe	619	708	-13%	-15%	3.8%	+50
DACH	362	371	-2%	-4%	5.5%	+380
Southern Europe & EEMENA	1,056	1,003	+5%	+6%	6.4%	(10)
Americas	675	718	-6%	-7%	3.2%	(330)
APAC	512	472	+9%	+11%	4.3%	+60

Recovery in the Adecco business unit gathered pace with revenues up around 4 percent on a sequential basis. Versus 2019, revenues are ahead across Southern Europe, Latin America and APAC. On a year-on-year basis, revenue development was strong in APAC and solid in France and Southern Europe & EEMENA. These positive developments were countered by lower revenue contributions from Northern Europe, DACH and the Americas. Permanent placement revenues, up over 70 percent, were a highlight across the business, while Other Services, which includes training and outsourcing solutions, rose over 20 percent. Flexible placement activities saw strong growth in healthcare and robust demand in manufacturing, while facing a tough comparison in logistics and continued headwinds in autos.

Gross profit margin expanded substantially, reflecting positive mix and pricing actions. EBITA margin expanded 10 basis points, reflecting good cost discipline and continued investment in sales to drive future growth.

### Segment results

#### Adecco France

- Solid revenue growth reflected recovery momentum, with strength across food & beverage, hotel & catering, and logistics & transportation, partially mitigated by a subdued autos sector.
- EBITA margin expanded 30 basis points, driven by favourable mix and pricing even while the business invested to support growth.

#### Adecco Northern Europe

- Revenues from UK & Ireland were 28 percent lower, in light of a tough comparison period from exceptional contract wins in the prior period. In Benelux, revenues were 5 percent lower, while in the Nordics, revenues rose by 10 percent, with improvement centred around manufacturing, food & beverage, and professional services.
- EBITA margin improved 50 basis points, with lower volumes more than offset by more favourable country and solutions mix and strong cost discipline.

### Adecco DACH

- Switzerland & Austria grew 3 percent, while revenues in Germany were 7 percent lower, mainly due to a subdued autos sector. Performance also reflects a tough comparison in logistics.
- EBITA margin expanded 380 basis points, mainly due to mix benefits.

### Adecco Southern Europe & EEMENA

- Solid revenue growth reflected strength in Italy, where revenues increased 18 percent. In Iberia, revenues were 2 percent lower and in EEMENA, 13 percent lower. Growth was driven by strong demand in manufacturing, consulting, and food & beverage, partly mitigated by a subdued autos sector and a tough comparison in logistics, mainly in Iberia and EEMENA.
- The EBITA margin of 6.4% reflects higher volumes, favourable pricing and mix, good cost management and investment to drive further revenue momentum.

### Adecco Americas

- In Latin America, revenues were 4 percent lower, due to legislative change in Mexico having a negative impact. At the same time, revenues grew in double digit terms excluding Mexico.
- In North America, revenues were 9 percent lower.
  - The Adecco US result was sequentially stable, with year-on-year developments hindered by lower activity in flexible placement related to legacy sector exposures and candidate scarcity for lower wage blue-collar roles.
  - The Group strengthened US leadership through the appointment of Eileen Sweeney as Head of Adecco US. Eileen is responsible for ensuring the operating model put in place during 2021 delivers intended performance improvement.
  - Turnaround continues, with a focus on sales discipline, sector repositioning and maximising the effectiveness of the Career Centre.
- The segment's EBITA margin moved lower, mainly due to lower support scheme benefits.

### Adecco APAC

- The region reported broad-based growth with revenues up 24 percent in Australia & New Zealand, up 11 percent in Asia and up 8 percent in Japan.
- EBITA margin expansion of 60 basis points reflects improved mix and solid productivity.

## LHH (TALENT SOLUTIONS)

Unless otherwise noted, LHH refers to the Global Business Unit previously reported as Talent Solutions. In addition, Professional Recruitment activities are now Recruitment Solutions activities, and the legacy LHH business is referred to as Career Transition & Talent Development.

<i>EUR millions, unless otherwise stated</i>	Revenues				EBITA margin excl. one-offs	
	Q4 21	Q4 20	CHANGE (yoy)		Q4 21	CHANGE (bps, yoy)
			Reported	Organic, TDA		
LHH	447	439	+2%	+4%	6.3%	(570)

Revenues benefited from excellent growth in Global Recruitment Solutions, up 22 percent, and US Recruitment Solutions, up 17 percent. Accordingly, Gross Profits in the Recruitment Solutions segments combined rose by over 35 percent. Pontoon's revenues were up 8 percent, led by MSP and RXO. Career Transition & Talent Development revenues were 25 percent lower, with the strong global economy reducing demand for Career Transition services, somewhat countered by accelerating momentum in Talent Development. General Assembly revenues were 20 percent

lower, with demand for their services impacted by the spread of Omicron. Both digital platforms, Hired and Ezra, advanced strongly.

The EBITA margin moved to 6.3 percent, reflecting the downturn in career transition activities and higher investment in digital. In Recruitment Solutions, both segments continued to invest in sales while delivering robust productivity gains.

## MODIS

<i>EUR millions, unless otherwise stated</i>	Revenues				EBITA margin excl. one-offs	
	Q4 21	Q4 20	CHANGE (yoy)		Q4 21	CHANGE (bps, yoy)
			Reported	Organic, TDA		
<b>Modis</b>	<b>581</b>	<b>523</b>	<b>+11%</b>	<b>+14%</b>	<b>7.0%</b>	<b>+70</b>

Modis delivered very strong performance in the quarter, with revenues up 14 percent. By region, the Americas were up 24 percent, EMEA was up 8 percent and APAC up 8 percent. The Americas saw excellent growth in mobility, manufacturing, and financial services sectors and in particular, Consulting and Academy services advanced strongly. In EMEA, growth was driven by Tech Consulting. The APAC region, led by Japan, benefited from its continued focus on Smart Industry consulting. All service lines were very strong, with Tech Talent Services 18 percent higher, Tech Consulting 8 percent higher, and Tech Academy up 73 percent.

The EBITA margin was up 70 basis points, reflecting better volumes, pricing and mix, and higher investment in sales and global resources.

## FY 2021 financial performance

<i>EUR millions, unless otherwise stated</i>	Revenues				EBITA margin excl. one-offs	
	FY 21	FY 20	CHANGE (yoy)		FY 21	CHANGE (bps, yoy)
			Reported	Organic, TDA		
Adecco	16,946	15,669	+8%	+9%	4.9%	+110
LHH	1,798	1,713	+5%	+8%	8.3%	(90)
Modis	2,205	2,179	+1%	+9%	6.5%	+80
<b>Adecco Group</b>	<b>20,949</b>	<b>19,561</b>	<b>+7%</b>	<b>+9%</b>	<b>4.6%</b>	<b>+100</b>

The Adecco Group delivered strong growth, with revenues up 9 percent and gross profits up 15 percent organically, supported by a gradual lessening of Covid-19 restrictions and strong revival in trading conditions.

Within the Adecco business unit, the strongest revenue performance came from France, up 15 percent, and Southern Europe & EEMENA, up 18 percent. At LHH, Recruitment Solutions' revenues rose 18 percent and 19 percent globally and, in the US, respectively, supported by a very strong market particularly across the latter half of the year. The business units' growth was somewhat mitigated by the counter-cyclical Career Transition & Talent Development business, where revenues were 10 percent weaker due to the market downturn in Career Transition. The Modis business unit, which was less impacted by the 2020 downturn, delivered solid growth of 9 percent, with notable strength in Modis Americas.

Gross margin reached a leading 20.4 percent in the period, up 110 basis points organically year-on-year (100 basis points reported), supported by the shift in Adecco Group's portfolio toward higher-value activities, in addition to favourable mix and pricing actions. Gross margin expansion was recorded in all business units.

The 4.6 percent EBITA margin, up 100 basis points compared to the prior year, was firmly within the Group's 3 to 6 percent target range and sector-leading. Performance reflects productivity gains (in terms of gross profit per full time employee) of 7 percent and sustained cost mitigation efforts. The Group pursued a focused approach to its growth

investments, taking into consideration recovery trajectories in various countries, service lines and end-markets to optimise the company's potential. For the full year, full time employees increased 8 percent organically, to an average of 32,625. The Group achieved a Drop-Down Ratio of 46 percent, inline with management guidance.

Net income attributable to Adecco Group shareholders was EUR 586 million, with a basic EPS of EUR 3.62 versus a loss of EUR 0.61 in 2020. The basic weighted average number of shares was 162,096,188.

Cash flow from operating activities was solid at EUR 722 million, from EUR 720 million in the prior year, evidencing the resiliency of the Group's cash generation capability through-cycle.

## Proposed dividend

Considering the Group's strong recovery from 2020's difficult market environment, its solid cash flow position, and confidence in the Group's prospects, the Board of Directors has proposed a dividend per share ("DPS") of CHF 2.50. The proposal is aligned with the Group's progressive dividend policy, including its commitment to holding Swiss franc DPS at least in line with the prior year.

The CHF 2.50 is split between a gross dividend of CHF 1.25 per registered share paid out of available earnings, subject to withholding tax in Switzerland, and CHF 1.25 per registered share paid out of free reserves, not subject to withholding tax in Switzerland.

## Subsequent events

On February 24, the Adecco Group announced it had acquired 59.91 percent of the shares issued by AKKA Technologies from the Ricci Family Group and SWILUX S.A., bringing its total holding to 64.72 percent. Modis, the Group's high-tech services business, will be combined with AKKA, a leader in engineering R&D services, creating the global number two in Smart Industry. Akkodis has been announced as the future global brand for the combined business, leveraging the existing value of both brands and providing a clear, distinct brand proposition to customers and colleagues that will amplify future business development. A highly experienced leadership team is in place under Jan Gupta, President of the new, combined business unit.

Through this transaction, the Adecco Group's strategic implementation toward high-value, technology-led services is accelerated and the Group's unique solutions ecosystem strengthened. The transaction is expected to be margin and EPS accretive in year one, excluding one-time integration and implementation costs, and EVA positive in year three.

Mauro Ricci and Jean-Franck Ricci will receive 1,626,772 of Adecco Group AG new ordinary shares with a 24-month lock-up period<sup>1</sup>. Subject to customary approvals, the Group expects to launch a Mandatory Tender Offer to minority shareholders in the period ahead, with a view to closing the acquisition at end H1 2022.

## Outlook

During 2021, the group focused on protecting profitability, through agile cost management and commercial discipline. As the pandemic eased in the second half of 2021, we accelerated investment in a focused and disciplined way to improve growth momentum.

For 2022, macro-economic indicators point to robust economic growth, despite geopolitical uncertainty and lingering pandemic related challenges.

In Q1 2022, the Group expects solid revenue growth on a year-on-year basis, with modest sequential improvement. The Group's margin will reflect continued investment, particularly in Adecco, that is anticipated to accelerate sustainable, profitable growth.

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<sup>1</sup> Agreed terms of EUR 42 per share in cash plus EUR 7 per share equivalent in Adecco Group AG new ordinary shares. The new shares will be created from existing authorised capital, carry fully dividend rights and will be listed and admitted to trading on the SIX Swiss Exchange on February 24, 2022. Upon registration of the capital increase in the commercial register, expected to take place today, the Adecco Group AG share capital will therefore increase to CHF 16,985,094.90, divided into 169,850,949 ordinary shares each with a par value of CHF 0.10.

## More information

The Q4 2021 results press release and presentation slides are available on the Investor Relations [website](#). A conference call and webcast for analysts and investors is scheduled to begin today at 10:00 a.m. CET (09:00 a.m. GMT). The conference call can be followed via webcast on the Investor Relations section of the Group's [website](#), or via telephone:

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## Financial calendar

- Capital Markets Day (live event) 29 March 2022
- Q1 2022 results 5 May 2022
- Q2 2022 results 4 August 2022
- Q3 2022 results 3 November 2022

## About the Adecco Group

The Adecco Group is the world's leading talent advisory and solutions company. We believe in making the future work for everyone, and every day enable more than 3.5 million careers. We skill, develop and hire talent in around 60 countries, enabling organisations to embrace the future of work. As a Fortune Global 500 company, we lead by example, creating shared value that fuels economies and builds better societies. Our culture of inclusivity, entrepreneurship and teamwork empowers our employees. The Adecco Group AG is headquartered in Zurich, Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN).

### Important notice about forward-looking information

Information in this release may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based on information available to Adecco Group AG as of the date of this release, and we assume no duty to update any such forward-looking statements. The forward-looking statements in this release are not guarantees of future performance and actual results could differ materially from our current expectations. Numerous factors could cause or contribute to such differences. Factors that could affect the Company's forward-looking statements include, among other things: global GDP trends and the demand for temporary work; the impact of the global outbreak of novel coronavirus disease (COVID-19); changes in regulation of temporary work; intense competition in the markets in which the Company operates; integration of acquired companies; changes in the Company's ability to attract and retain qualified internal and external personnel or clients; the potential impact of disruptions related to IT; any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.

Zurich, 24 February, 2022  
Alain Dehaze, CEO

### For further information please contact:

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## Revenues by segment

Revenues by segment EUR millions	Q4		Variance % 21 vs 20				% of revenues Q4 2021	FY		Variance % 21 vs 20				% of revenues FY 2021
	2021	2020	EUR	Constant currency	Organic	Organic TDA		2021	2020	EUR	Constant currency	Organic	Organic TDA	
Adecco France	1,243	1,172	6%	6%	5%	5%	23%	4,665	4,042	15%	15%	15%	15%	22%
Adecco Northern Europe	619	708	-13%	-16%	-14%	-15%	11%	2,507	2,494	0%	-1%	0%	0%	12%
Adecco DACH	362	371	-2%	-3%	-3%	-4%	7%	1,426	1,324	8%	8%	8%	8%	7%
Adecco Southern Europe & EEMENA	1,056	1,003	5%	6%	7%	6%	19%	3,925	3,347	17%	18%	19%	18%	19%
Adecco Americas	675	718	-6%	-7%	-7%	-7%	12%	2,492	2,574	-3%	1%	1%	1%	12%
Adecco APAC	512	472	9%	11%	11%	11%	9%	1,931	1,888	2%	7%	7%	6%	9%
<b>Adecco</b>	<b>4,467</b>	<b>4,444</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>81%</b>	<b>16,946</b>	<b>15,669</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>	<b>81%</b>
LHH (Talent Solutions)	447	439	2%	-1%	3%	4%	8%	1,798	1,713	5%	7%	8%	8%	9%
Modis	581	523	11%	11%	14%	14%	11%	2,205	2,179	1%	4%	8%	9%	10%
<b>Adecco Group</b>	<b>5,495</b>	<b>5,406</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>	<b>1%</b>	<b>100%</b>	<b>20,949</b>	<b>19,561</b>	<b>7%</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>	<b>100%</b>

## Revenues by service line

Revenues by service line EUR millions	Q4		Variance % 21 vs 20			FY		Variance % 21 vs 20		
	2021	2020 <sup>1)</sup>	EUR	Constant currency	Organic	2021	2020 <sup>1)</sup>	EUR	Constant currency	Organic
Flexible Placement	4,520	4,549	-1%	-2%	-1%	17,263	16,281	6%	7%	8%
Permanent Placement	162	96	70%	68%	69%	583	406	44%	47%	47%
Career Transition	72	102	-29%	-30%	-39%	314	386	-19%	-17%	-20%
Outsourcing, Consulting & Other Services	659	589	12%	13%	16%	2,471	2,247	10%	13%	14%
Training, Upskilling & Reskilling	82	70	17%	15%	15%	318	241	32%	34%	34%
<b>Adecco Group</b>	<b>5,495</b>	<b>5,406</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>	<b>20,949</b>	<b>19,561</b>	<b>7%</b>	<b>8%</b>	<b>9%</b>

1) 2020 Flexible Placement and Outsourcing, Consulting & Other Services have been restated to conform with current period presentation.

EBITA<sup>1)</sup> and EBITA margin by segment

EBITA	Q4		Variance % 21 vs 20		% of EBITA <sup>2)</sup>	FY		Variance % 21 vs 20		% of EBITA <sup>2)</sup>
	2021	2020	EUR	Constant currency		2021	2020	EUR	Constant currency	
EUR millions					Q4 2021					FY 2021
Adecco France	74	65	14%	14%	28%	270	180	50%	50%	25%
Adecco Northern Europe	23	18	26%	24%	9%	80	37	114%	113%	8%
Adecco DACH	20	27	-26%	-26%	8%	61	(45)	n.m.	n.m.	6%
Adecco Southern Europe & EEMENA	68	60	13%	13%	26%	235	163	44%	45%	22%
Adecco Americas	21	45	-54%	-56%	8%	66	76	-14%	-14%	6%
Adecco APAC	20	13	53%	60%	8%	108	97	12%	19%	10%
<b>Adecco</b>	<b>226</b>	<b>228</b>	<b>-1%</b>	<b>-2%</b>	<b>87%</b>	<b>820</b>	<b>508</b>	<b>61%</b>	<b>63%</b>	<b>77%</b>
<b>LHH (Talent Solutions)</b>	<b>4</b>	<b>45</b>	<b>-91%</b>	<b>-92%</b>	<b>2%</b>	<b>118</b>	<b>123</b>	<b>-4%</b>	<b>-1%</b>	<b>11%</b>
<b>Modis</b>	<b>29</b>	<b>34</b>	<b>-15%</b>	<b>-14%</b>	<b>11%</b>	<b>132</b>	<b>104</b>	<b>26%</b>	<b>32%</b>	<b>12%</b>
<b>Corporate</b>	<b>(48)</b>	<b>(54)</b>	<b>-13%</b>	<b>-13%</b>		<b>(189)</b>	<b>(165)</b>	<b>14%</b>	<b>16%</b>	
<b>Adecco Group</b>	<b>211</b>	<b>253</b>	<b>-17%</b>	<b>-17%</b>	<b>100%</b>	<b>881</b>	<b>570</b>	<b>54%</b>	<b>58%</b>	<b>100%</b>

  

EBITA margin	Q4		Variance bps	FY		Variance bps
	2021	2020		2021	2020	
Adecco France	5.9%	5.5%	40	5.8%	4.5%	130
Adecco Northern Europe	3.7%	2.6%	110	3.2%	1.5%	170
Adecco DACH	5.5%	7.2%	(170)	4.3%	-3.5%	780
Adecco Southern Europe & EEMENA	6.4%	6.0%	40	6.0%	4.9%	110
Adecco Americas	3.1%	6.3%	(320)	2.7%	3.0%	(30)
Adecco APAC	4.0%	2.8%	120	5.6%	5.1%	50
<b>Adecco</b>	<b>5.0%</b>	<b>5.1%</b>	<b>(10)</b>	<b>4.8%</b>	<b>3.2%</b>	<b>160</b>
<b>LHH (Talent Solutions)</b>	<b>0.9%</b>	<b>10.3%</b>	<b>(940)</b>	<b>6.6%</b>	<b>7.2%</b>	<b>(60)</b>
<b>Modis</b>	<b>5.0%</b>	<b>6.5%</b>	<b>(150)</b>	<b>6.0%</b>	<b>4.8%</b>	<b>120</b>
<b>Adecco Group</b>	<b>3.8%</b>	<b>4.7%</b>	<b>(90)</b>	<b>4.2%</b>	<b>2.9%</b>	<b>130</b>

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

2) % of EBITA before Corporate

EBITA<sup>1)</sup> and EBITA margin excluding one-offs by segment

EBITA	Q4		Variance % 21 vs 20		% of EBITA <sup>2)</sup>	FY		Variance % 21 vs 20		% of EBITA <sup>3)</sup>
	2021	2020	EUR	Constant currency		2021	2020	EUR	Constant currency	
EUR millions					Q4 2021					FY 2021
Adecco France	76	68	11%	11%	25%	277	185	50%	50%	24%
Adecco Northern Europe	24	24	-1%	-3%	8%	86	51	67%	65%	8%
Adecco DACH	20	6	209%	210%	7%	57	(6)	n.m.	n.m.	5%
Adecco Southern Europe & EEMENA	68	66	3%	4%	23%	235	170	39%	40%	21%
Adecco Americas	21	47	-54%	-55%	7%	69	91	-24%	-23%	6%
Adecco APAC	22	17	27%	31%	7%	110	101	9%	15%	10%
<b>Adecco</b>	<b>231</b>	<b>228</b>	<b>1%</b>	<b>0%</b>	<b>77%</b>	<b>834</b>	<b>592</b>	<b>41%</b>	<b>42%</b>	<b>74%</b>
<b>LHH (Talent Solutions)</b>	<b>28</b>	<b>53</b>	<b>-47%</b>	<b>-48%</b>	<b>9%</b>	<b>150</b>	<b>159</b>	<b>-5%</b>	<b>-2%</b>	<b>13%</b>
<b>Modis</b>	<b>40</b>	<b>33</b>	<b>22%</b>	<b>23%</b>	<b>14%</b>	<b>142</b>	<b>123</b>	<b>15%</b>	<b>20%</b>	<b>13%</b>
<b>Corporate</b>	<b>(40)</b>	<b>(54)</b>	<b>-27%</b>	<b>-27%</b>	<b>-</b>	<b>(173)</b>	<b>(165)</b>	<b>5%</b>	<b>6%</b>	<b>-</b>
<b>Adecco Group</b>	<b>259</b>	<b>260</b>	<b>0%</b>	<b>-1%</b>	<b>100%</b>	<b>953</b>	<b>709</b>	<b>34%</b>	<b>37%</b>	<b>100%</b>

  

EBITA margin	Q4		Variance bps	FY	
	2021	2020		2021	2020
Adecco France	6.1%	5.8%	30	5.9%	4.6%
Adecco Northern Europe	3.8%	3.3%	50	3.4%	2.1%
Adecco DACH	5.5%	1.7%	380	4.0%	-0.4%
Adecco Southern Europe & EEMENA	6.4%	6.5%	(10)	6.0%	5.1%
Adecco Americas	3.2%	6.5%	(330)	2.8%	3.5%
Adecco APAC	4.3%	3.7%	60	5.7%	5.4%
<b>Adecco</b>	<b>5.2%</b>	<b>5.1%</b>	<b>10</b>	<b>4.9%</b>	<b>3.8%</b>
<b>LHH (Talent Solutions)</b>	<b>6.3%</b>	<b>12.0%</b>	<b>(570)</b>	<b>8.3%</b>	<b>9.2%</b>
<b>Modis</b>	<b>7.0%</b>	<b>6.3%</b>	<b>70</b>	<b>6.5%</b>	<b>5.7%</b>
<b>Adecco Group</b>	<b>4.7%</b>	<b>4.8%</b>	<b>(10)</b>	<b>4.6%</b>	<b>3.6%</b>

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

2) % of EBITA before Corporate

## Reconciliation of EBITA to EBITA excluding one-offs

EBITA	EBITA excluding one-offs		One-offs		EBITA		EBITA excluding one-offs		One-offs		EBITA	
	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020	FY 2021	FY 2020	FY 2021 <sup>1)</sup>	FY 2020	FY 2021	FY 2020
Adecco France	76	68	(2)	(3)	74	65	277	185	(7)	(5)	270	180
Adecco Northern Europe	24	24	(1)	(6)	23	18	86	51	(6)	(14)	80	37
Adecco DACH	20	6	-	21	20	27	57	(6)	4	(39)	61	(45)
Adecco Southern Europe & EEMENA	68	66	-	(6)	68	60	235	170	-	(7)	235	163
Adecco Americas	21	47	-	(2)	21	45	69	91	(3)	(15)	66	76
Adecco APAC	22	17	(2)	(4)	20	13	110	101	(2)	(4)	108	97
<b>Adecco</b>	<b>231</b>	<b>228</b>	<b>(5)</b>	<b>-</b>	<b>226</b>	<b>228</b>	<b>834</b>	<b>592</b>	<b>(14)</b>	<b>(84)</b>	<b>820</b>	<b>508</b>
<b>LHH (Talent Solutions)</b>	<b>28</b>	<b>53</b>	<b>(24)</b>	<b>(8)</b>	<b>4</b>	<b>45</b>	<b>150</b>	<b>159</b>	<b>(32)</b>	<b>(36)</b>	<b>118</b>	<b>123</b>
<b>Modis</b>	<b>40</b>	<b>33</b>	<b>(1)</b>	<b>1</b>	<b>29</b>	<b>34</b>	<b>142</b>	<b>123</b>	<b>(10)</b>	<b>(19)</b>	<b>132</b>	<b>104</b>
<b>Corporate</b>	<b>(40)</b>	<b>(54)</b>	<b>(8)</b>	<b>-</b>	<b>(48)</b>	<b>(54)</b>	<b>(173)</b>	<b>(165)</b>	<b>(16)</b>	<b>-</b>	<b>(189)</b>	<b>(165)</b>
<b>Adecco Group</b>	<b>259</b>	<b>260</b>	<b>(48)</b>	<b>(7)</b>	<b>211</b>	<b>253</b>	<b>953</b>	<b>709</b>	<b>(72)</b>	<b>(159)</b>	<b>881</b>	<b>570</b>

1) FY21 one-offs in Adecco DACH were reduced by 4M due to the release of restructuring accruals in Germany in Q3'21, driven by lower-than-expected severance costs relating to prior year restructuring.

## Consolidated statements of operations

EUR millions except share and per share information	Q4		Variance %		YTD		Variance %	
	2021	2020	EUR	Constant currency	2021	2020	EUR	Constant currency
<b>Revenues</b>	<b>5,495</b>	5,406	<b>2%</b>	<b>1%</b>	<b>20,949</b>	19,561	<b>7%</b>	<b>8%</b>
Direct costs of services	(4,355)	(4,346)			(16,668)	(15,772)		
<b>Gross profit</b>	<b>1,140</b>	<b>1,060</b>	<b>8%</b>	<b>6%</b>	<b>4,281</b>	<b>3,789</b>	<b>13%</b>	<b>15%</b>
Selling, general, and administrative expenses	(935)	(809)	15%	14%	(3,423)	(3,239)	6%	7%
Proportionate net income of equity method investment FESCO Adecco	6	2	144%	137%	23	20	13%	20%
<b>EBITA<sup>1)</sup></b>	<b>211</b>	<b>253</b>	<b>-17%</b>	<b>-17%</b>	<b>881</b>	<b>570</b>	<b>54%</b>	<b>58%</b>
Amortisation of intangible assets	(20)	(20)			(70)	(81)		
Impairment of goodwill						(362)		
Impairment of intangible assets		(9)			(31)	(9)		
<b>Operating income</b>	<b>191</b>	<b>224</b>	<b>-15%</b>	<b>-15%</b>	<b>780</b>	<b>118</b>	<b>n.m.</b>	<b>n.m.</b>
Interest expense	(10)	(7)			(32)	(30)		
Other income/(expenses), net	4	(17)			5	(20)		
<b>Income before income taxes</b>	<b>185</b>	<b>200</b>	<b>-8%</b>		<b>753</b>	<b>68</b>	<b>n.m.</b>	
Provision for income taxes	(1)	(51)			(165)	(165)		
<b>Net income/(loss)</b>	<b>184</b>	<b>149</b>	<b>23%</b>		<b>588</b>	<b>(97)</b>	<b>n.m.</b>	
Net income attributable to noncontrolling interests					(2)	(1)		
<b>Net income/(loss) attributable to Adecco Group shareholders</b>	<b>184</b>	<b>149</b>	<b>23%</b>		<b>586</b>	<b>(98)</b>	<b>n.m.</b>	
<b>Basic earnings/(loss) per share<sup>2)</sup></b>	<b>1.11</b>	<b>0.92</b>	<b>21%</b>		<b>3.62</b>	<b>(0.61)</b>	<b>n.m.</b>	
<b>Diluted earnings/(loss) per share<sup>3)</sup></b>	<b>1.11</b>	<b>0.92</b>	<b>21%</b>		<b>3.60</b>	<b>(0.61)</b>	<b>n.m.</b>	
<i>Gross margin</i>	<i>20.7%</i>	<i>19.6%</i>			<i>20.4%</i>	<i>19.4%</i>		
<i>SG&amp;A as a percentage of revenues</i>	<i>17.0%</i>	<i>15.0%</i>			<i>16.3%</i>	<i>16.6%</i>		
<i>EBITA margin</i>	<i>3.8%</i>	<i>4.7%</i>			<i>4.2%</i>	<i>2.9%</i>		
<i>Operating income margin</i>	<i>3.5%</i>	<i>4.1%</i>			<i>3.7%</i>	<i>0.6%</i>		
<i>Net income/(loss) margin attributable to Adecco Group shareholders</i>	<i>3.3%</i>	<i>2.7%</i>			<i>2.8%</i>	<i>-0.5%</i>		

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

2) Basic weighted-average shares were 165,074,415 in Q4 2021 and 162,096,188 in FY 2021 (161,139,396 in Q4 2020 and 161,426,423 in FY 2020).

3) Diluted weighted-average shares were 165,536,016 in Q4 2021 and 162,727,104 in FY 2021 (161,888,942 in Q4 2020 and 162,011,135 in FY 2020).

## Consolidated balance sheets

EUR millions	31 December 2021	31 December 2020
<b>Assets</b>		
Current assets:		
- Cash and cash equivalents	3,051	1,485
- Trade accounts receivable, net	4,076	3,870
- Other current assets	596	399
<b>Total current assets</b>	<b>7,723</b>	<b>5,754</b>
Property, equipment, and leasehold improvements, net	330	305
Operating lease right-of-use assets	339	395
Equity method investments	118	109
Other assets	674	645
Intangible assets, net	198	245
Goodwill	2,483	2,339
<b>Total assets</b>	<b>11,865</b>	<b>9,792</b>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Current liabilities:		
- Accounts payable and accrued expenses	4,226	3,990
- Current operating lease liabilities	152	178
- Short-term debt and current maturities of long-term debt	348	294
<b>Total current liabilities</b>	<b>4,726</b>	<b>4,462</b>
Operating lease liabilities	229	251
Long-term debt, less current maturities	2,751	1,567
Other liabilities	359	294
<b>Total liabilities</b>	<b>8,065</b>	<b>6,574</b>
<b>Shareholders' equity</b>		
Adecco Group shareholders' equity:		
- Common shares	11	10
- Additional paid-in capital	814	582
- Treasury shares, at cost	(159)	(89)
- Retained earnings	3,361	3,139
- Accumulated other comprehensive income/(loss), net	(237)	(433)
<b>Total Adecco Group shareholders' equity</b>	<b>3,790</b>	<b>3,209</b>
Noncontrolling interests	10	9
<b>Total shareholders' equity</b>	<b>3,800</b>	<b>3,218</b>
<b>Total liabilities and shareholders' equity</b>	<b>11,865</b>	<b>9,792</b>

## Consolidated statements of cash flows

EUR millions	Q4		FY	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Net income/(loss)	184	149	588	(97)
Adjustments to reconcile net income/(loss) to cash flows from operating activities:				
- Depreciation and amortisation	48	56	186	209
- Impairment of goodwill				362
- Impairment of intangible assets		9	31	9
- Other charges	(33)	20	(3)	86
Changes in operating assets and liabilities, net of acquisitions and divestitures:				
- Trade accounts receivable	(108)	(321)	(170)	235
- Accounts payable and accrued expenses	104	259	119	38
- Other assets and liabilities	77	(13)	(29)	(122)
<b>Cash flows from operating activities</b>	<b>272</b>	<b>159</b>	<b>722</b>	<b>720</b>
<b>Cash flows from investing activities</b>				
Capital expenditures	(52)	(47)	(132)	(157)
Acquisition of QAPA, net of cash and restricted cash acquired	(2)		(54)	
Acquisition of BPI Group, net of cash and restricted cash acquired	(45)		(45)	
Proceeds from divestiture of the Legal Solutions business, net of cash and restricted cash divested	122		122	
Cash settlements on derivative instruments	(14)	14	(23)	24
Other acquisition, divestiture and investing activities, net	(73)	(4)	(74)	(29)
<b>Cash used in investing activities</b>	<b>(64)</b>	<b>(37)</b>	<b>(206)</b>	<b>(162)</b>
<b>Cash flows from financing activities</b>				
Net increase/(decrease) in short-term debt	(4)	18	(16)	(2)
Borrowings of long-term debt, net of issuance costs			1,484	259
Repayment of long-term debt	(260)	(115)	(261)	(117)
Dividends paid to shareholders			(365)	(381)
Purchase of treasury shares			(93)	(46)
Share capital increase, net of issuance costs			229	
Other financing activities, net	8	(1)	2	(3)
<b>Cash flows from/(used in) financing activities</b>	<b>(256)</b>	<b>(98)</b>	<b>980</b>	<b>(290)</b>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>	<b>20</b>	<b>(49)</b>	<b>91</b>	<b>(116)</b>
<b>Net increase/(decrease) in cash, cash equivalents and restricted cash</b>	<b>(28)</b>	<b>(25)</b>	<b>1,587</b>	<b>152</b>
Cash, cash equivalents and restricted cash:				
- Beginning of period	3,183	1,593	1,568	1,416
- End of period	3,155	1,568	3,155	1,568