



Q2 2021 RESULTS

Significant revenue improvement and strong margin performance

- Revenues up 29% on an organic,¹ trading days adjusted basis (“TDA”), led by Adecco, up 33% organic TDA
- Revenue growth strongest in higher-value activities; Permanent Placement up 88% organic and Training, Upskilling & Reskilling up 78% organically
- Gross profit up 39% organically, with growth in all Global Business Units, led by Adecco
- Gross margin 20.1%, up 140 bps organically reflecting improved mix, pricing discipline
- EBITA¹ excluding one-offs EUR 237 million; 4.5% margin, up 270 bps, with gross margin performance supported by strong productivity
- Operating income EUR 211 million, up 627%
- Cash conversion of 64%, impacted by working capital absorption due to the improving revenue growth
- Revenues in June 2021 up 23% organically and TDA

Alain Dehaze, Adecco Group CEO, commented: “The second quarter performance was strong with positive momentum throughout, particularly in Permanent Placement. Revenues are now 5 percent below pre-crisis levels on an underlying basis, while the Group’s gross profit is now broadly in line with pre-crisis levels. This is well aligned to the Group’s drive to deliver sustainable, profitable growth through organic and inorganic actions. Our businesses continued to execute well, with margin improvement supported by mix, pricing and strong productivity. At the same time, the Group has begun to extend its investment in sales to drive growth.”

“We have seen pockets of talent scarcity and wage inflation in our end-markets, particularly in technology solutions, and the pace of recovery in Permanent Placement is unprecedented. We are cautiously optimistic that all our service lines, including Flexible Placement, have scope to recover further in the quarters ahead. We are confident that with the implementation of our Future@Work strategy, including the digital transformation of our business, we will be optimally positioned to take market share,” he added.

KEY FIGURES

EUR millions, unless otherwise stated	Q2 21	Q2 20	CHANGE		H1 21	H1 20	CHANGE	
			Reported	Organic ¹			Reported	Organic ¹
Revenues	5,263	4,181	+26%	+29% ²	10,234	9,320	+10%	+14% ²
Gross profit	1,057	786	+34%	+39%	2,055	1,780	+15%	+20%
EBITA excluding one-offs ¹	237	75	+215%	+234%	444	229	+94%	+105%
Operating income/(loss)	211	29	+627%		393	(218)	n.m.	
Net income/(loss) attributable to Adecco Group shareholders	145	21	+598%		269	(327)	n.m.	
Basic EPS	0.90	0.13	+599%		1.67	(2.02) ³	n.m.	
Gross profit margin	20.1%	18.8%	+130 bps	+140 bps	20.1%	19.1%	+100 bps	+110 bps
EBITA margin excluding one-offs	4.5%	1.8%	+270 bps	+270 bps	4.3%	2.5%	+180 bps	+190 bps
Cash flow from operating activities	112	342	(230)		226	411	(185)	
Cash conversion ratio ¹	64%	145%	-81%		64%	145%	-81%	
Days sales outstanding	50	54	(4)		50	54	(4)	
Net debt / EBITDA excluding one-offs ¹	0.5x	0.6x	(0.1)x		0.5x	0.6x	(0.1)x	

Unless otherwise noted, all growth rates in this release refer to same period in prior year.

¹ 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.

² On an organic and trading days adjusted basis.

³ Includes goodwill impairment of EUR 362 million.

Group results

Revenues

Second quarter revenues of EUR 5,263 million were up 29 percent organic TDA (26 percent reported) when compared to the prior year period. The year-on-year result is materially influenced by the prior year comparison base, with Q2 2020 results severely impacted by the pandemic. Compared to the first quarter 2021, revenue growth momentum improved modestly.

Currency translation effects had a net negative impact of 3 percent 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.

All Global Business Units improved revenues on a year-on-year basis. Adecco's revenues were up 33 percent organic TDA (31 percent reported), Talent Solutions' revenues rose 21 percent organic TDA (17 percent reported), while Modis' revenues grew by 12 percent organic TDA (2 percent reported) in comparison to the prior year period.

Revenue growth was broad-based across Service Lines. Permanent placement revenues were particularly strong at EUR 151 million, up 88 percent organic year-on-year (81 percent reported), more than offsetting softness in the counter-cyclical career transition service line, which was 7 percent lower organic year-on-year (10 percent lower reported). Flexible placement rose by 30 percent organic (27 percent reported), Outsourcing, Consulting & Other Services grew by 17 percent organic (12 percent reported) and Training, Upskilling and Reskilling increased by 78 percent organic (72 percent reported), when compared to the prior year period.

Q2 REVENUES (CHANGE YEAR-ON-YEAR)

Group, by growth driver		Group, by Global Business Unit			Group, by Service Line		
			Reported	Organic, TDA		Reported	Organic
Organic, TDA	+29%	Adecco	+31%	+33%	Flexible Placement	+27%	+30%
TDA	+0.5%	Talent Solutions	+17%	+21%	Permanent Placement	+81%	+88%
Currency	-3%	Modis	+2%	+12%	Career Transition	-10%	-7%
M&A	-0.5%				Outsourcing, Consulting & Other Services	+12%	+17%
					Training, Upskilling & Reskilling	+72%	+78%
Adecco Group	+26%	Adecco Group	+26%	+29%	Adecco Group	+26%	+30%

Gross profit

Gross profit was EUR 1,057 million in the second quarter, up 39 percent organically compared to the prior year (34 percent reported). On an organic basis, gross profit in absolute terms is broadly in line with 2019 levels. Gross margin was 20.1%, up 130 basis points year-on-year.

On an organic basis in year-on-year terms, gross margin expanded 140 basis points. Flexible Placement was up 130 basis points. Permanent Placement contributed 80 basis points to gross margin, which was largely offset by a 70 basis points lower contribution from Career Transition. Outsourcing, Consulting and Training, Upskilling & Reskilling had a neutral impact. Currency had a negative impact of 20 basis points while M&A activities had a positive impact of 10 basis points.

Selling, General & Administrative expenses (SG&A)

SG&A excluding one-offs was EUR 825 million in the second quarter, 19 percent higher year-on-year organic (15 percent reported). The Group invested more in digital transformation and talent, while continuing to extract benefit from lower G&A costs. Average full-time employees were 31,799, increasing 15 percent organically year-on-year. The number of branches declined by 6 percent compared to the prior year period.

EBITA

Second quarter EBITA of EUR 228 million included a EUR 5 million contribution from the Group's FESCO Adecco JV in China and including EUR 9 million one-off charges, below the EUR 25 million recorded in the prior year period. EBITA excluding one-offs was EUR 237 million, up over 230 percent on an organic basis.

The EBITA margin was 4.5 percent, up 270 basis points in reported and organic terms. The conversion ratio (gross profit into EBITA excluding one-offs) was 22.5 percent, a significant improvement on a year-on-year basis.

Amortisation of Intangibles

Amortisation of intangible assets was EUR 17 million in the quarter, compared to EUR 21 million in the second quarter of 2020.

Operating income

The Group generated an operating income in the quarter of EUR 211 million. In the prior year period, the Group's operating income was EUR 29 million.

Net income and EPS

Net income attributable to Adecco Group shareholders was EUR 145 million. The second quarter result reflects net interest expense of EUR 6 million and income taxes of EUR 57 million. The effective tax rate was 28 percent. Basic EPS was EUR 0.90, up substantially compared to the prior year period, which reflected COVID impacts.

Cash flow and net debt

Cash flow from operating activities was EUR 112 million in Q2 2021, compared to EUR 342 million in Q2 2020. Compared to the prior year quarter, cash flow reflects a more normal operating environment in comparison to the second quarter 2020. DSO was 50 days in Q2, 4 days better year-on-year. The cash conversion ratio was 64%, compared to 145% in the prior year, reflecting increased working capital to support increased revenues.

Net debt was EUR 562 million at 30 June 2021, compared to EUR 376 million at 31 December 2020 and EUR 519 million at 30 June 2020. Net debt to EBITDA excluding one-offs was 0.5x, compared to 0.4x at 31 December 2020 and 0.6x in the same period of the prior year.

Global Business Unit results

Note: all commentary in this section refers to revenue growth rates on a year-on-year organic and trading days adjusted (TDA) basis, and EBITA or EBITA margins excluding one-offs and on a year-on-year basis, unless otherwise stated.

ADECCO

Revenue growth improved across all regions, particularly in France and Southern Europe & EEMENA. EBITA margins were very strong, expanding 290 basis points, driven by supportive pricing, mix and strategic decisions to selectively exit lower-margin activities. The result also reflects the absence of COVID-related costs relative to the prior year period.

EUR millions, unless otherwise stated	Revenues				EBITA margin excl. one-offs	
	Q2 21	Q2 20	CHANGE (yoy)		Q2 21	CHANGE (bps, yoy)
			Reported	Organic, TDA		
Adecco	4,264	3,259	+31%	+33%	4.7%	+290
France	1,189	740	+61%	+61%	5.6%	+460
Northern Europe	645	523	+23%	+20%	2.8%	+210
DACH	364	275	+32%	+33%	3.8%	+960
Southern Europe & EEMENA	986	705	+40%	+39%	5.9%	+230
Americas	614	549	+12%	+19%	3.2%	+180
APAC	466	467	0%	+5%	5.4%	(110)

Segment results

Adecco France

- Revenues rebounded strongly, mainly due to favourable base effects. Relative to the first quarter 2021, the business achieved modest recovery, as lock-down restrictions continued through most of the second quarter period. Relative to the prior year, sectors including logistics and transportation, manufacturing and construction grew strongly, while hospitality sectors and the automotive industry continued to face challenges.
- The EBITA margin was up 460 basis points, benefiting from improved volumes, better mix reflecting successful diversification into higher margin services (e.g. outsourcing, training), and good cost control, partly offset by increased employee profit sharing linked to regulatory changes. The result also reflects increased investment in sales and digital to drive future growth.

Adecco Northern Europe

- Revenues performance varied across the region. UK & Ireland grew by 14 percent. Revenues in Benelux increased 23 percent, and the Nordics rose by 30 percent.
- The EBITA margin was up 210 basis points, driven by favourable mix and strong cost discipline, partly offset by less support from COVID employment support schemes when compared to the prior year period.

Adecco DACH

- Revenues in Germany advanced 42 percent, while Switzerland & Austria grew 12 percent. Healthcare and the automotive sector developed positively.
- The EBITA margin was up 960 basis points, capturing ongoing benefits from 2020's restructuring, positive mix and better productivity.

Adecco Southern Europe & EEMENA

- In Italy, revenues increased by 55 percent, while Iberia was up 31 percent and EEMENA 11 percent. Revenues for the region are now well above pre-crisis levels. Growth was driven by higher demand from manufacturing, logistics and automotive sectors.
- EBITA margin was up 230 basis points, supported by higher volumes, better mix from successful diversification (e.g. outsourcing, training), pricing and cost discipline.

Adecco Americas

- Latin America revenues were up 42 percent, while North America revenues were 9 percent higher. The revenue result in both regions improved sequentially, and Latin America revenues are now comfortably above Q2 2019 levels. The US faced headwinds from lowered workforce availability, contract turnover and subdued activity in the automotive sector. Measures to improve US performance are underway. The business is implementing an omni-channel operating model with central hubs, or Talent Factories, and digital channels, as well as refocusing its sales force on higher growth sectors.
- The EBITA margin expanded by 180 basis points, with both Latin America and North America contributing. Margins were supported by higher volumes and COVID employment support schemes, partly offset by higher investments in sales.

Adecco APAC

- Growth was strong in Australia & New Zealand, with revenues up 16 percent, and Asia up 11 percent. Revenues from Japan were robust, up 1 percent, while revenues in India were 4 percent lower, linked to the exit of certain lower-margin activities in 2020.
- EBITA margin was 110 basis points lower. Margins were softer in all regions, with the exception of India, which benefited from exiting certain lower-margin activities.

TALENT SOLUTIONS

<i>EUR millions, unless otherwise stated</i>	Revenues				EBITA margin excl. one-offs	
	Q2 21	Q2 20	CHANGE (yoy)		Q2 21	CHANGE (bps, yoy)
			Reported	Organic, TDA		
Talent Solutions	456	389	+17%	+21%	9.6%	+220

Revenue improvement was driven by very strong momentum in Professional Recruitment, which is recovering close to 2019 levels, reflecting high levels of confidence in the economic outlook. US Professional Recruitment revenues were up 41 percent, and Global Professional Recruitment revenues were up 31 percent. LHH's revenues grew 3 percent this quarter. The development in LHH reflects weaker activity in counter-cyclical career transition, related to an improved economic outlook, although Talent Development grew very well. Revenues in General Assembly were up 7 percent, led by strong growth in B2B. Pontoon's revenues grew by 9 percent, led by MSP and RXO.

The EBITA margin, up 220 basis points, benefited from the rebound in professional recruitment activities, which more than offset the impact of lower volumes on LHH's margins. The margin result also reflects higher levels of investments in future growth drivers, mainly digital capabilities.

MODIS

<i>EUR millions, unless otherwise stated</i>	Revenues				EBITA margin excl. one-offs	
	Q2 21	Q2 20	CHANGE (yoy)		Q2 21	CHANGE (bps, yoy)
			Reported	Organic, TDA		
Modis	543	533	+2%	+12%	6.5%	+120

Revenues developed well across the business, led by the Americas, where revenues were 17 percent higher and demonstrated positive momentum across the quarter. In EMEA, revenues grew by 12 percent, while in the APAC region, against a tough comparable period, revenues rose 3 percent. Technology Consulting activities grew very strongly, up 14 percent, in line with strategy. Tech Talent Services were up 8 percent, driven by North America and Germany. Demand for Tech Academy was also very strong. Modis' revenues are approaching 2019 levels.

EBITA margin expanded 120 bps, reflecting positive business mix, with improved bench utilisation in the higher-margin consulting business. The business continued to invest in sales and global resources.

Significant events subsequent to June 30

On 28 July 2021, the Adecco Group announced that it had reached an agreement with the Ricci Family Group and SWILUX SA (CNP) to acquire their holdings in AKKA Technologies, providing Adecco Group with a controlling stake in the company. Thereafter, the Adecco Group will launch a Mandatory Tender Offer for the remaining AKKA Technologies securities. The total consideration of EUR 2.0 billion Enterprise Value reflects an offer price of EUR 49 per share and accounts for AKKA Technologies' net financial debt as of 30 June 2021. AKKA and Modis will be combined, creating a business with EUR 3.7 billion in revenues and 50,000 digital experts and engineers, positioned as the global #2 in the faster growth, higher margin global ER&D services market. The transaction accelerates the Group's Future@Work strategy, delivering on its ambition to truly differentiate, and to drive strong value creation.

For more information, please refer to the press release available on the on the Investor Relations section of the Group's [website](#).

Share buyback programme

On 7 April 2021, the Adecco Group commenced a share buyback programme of up to EUR 600 million. On 28 July 2021, the Adecco Group, in relation to the announced acquisition of Kevin, place the share buyback programme on hold. Shares repurchased under the programme are intended for subsequent cancellation, following shareholder approval. As of 23 July 2021, the Adecco Group has acquired 1,271,388 shares under this programme for CHF 79 million.

Outlook

Revenues were up 29 percent in Q2, supported by the prior year comparison base. Revenues in the second quarter improved sequentially, reflecting the easing of COVID-related restrictions. The Group expects trading conditions to further improve gradually in the third quarter, with strong year-on-year revenue development, assuming limited impacts from the delta variant as vaccination campaigns continue.

The Group aims to achieve a drop-down ratio (DDR) of approximately 50% (conversion of incremental gross profit into incremental EBITA) for the full year 2021.

More information

The Q2 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 09:00 a.m. CEST (08:00 a.m. BST). The conference call can be followed either via webcast on the Investor Relations section of the Group's [website](#), or via telephone call:

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Financial calendar

- Q3 2021 results 2 November 2021
- Q4 2021 results 24 February 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 57 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 30,000 employees. We are proud to have been consistently ranking on of the "World's Best Workplaces" by Great Place to Work®. The Adecco Group AG is headquartered in Zurich, Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN).

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, 28 July 2021
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Revenues by segment

Revenues by segment EUR millions	Q2		Variance % 21 vs 20				HY		Variance % 21 vs 20			
	2021	2020	EUR	Constant currency	Organic	Organic TDA	2021	2020	EUR	Constant currency	Organic	Organic TDA
Adecco France	1,189	740	61%	61%	61%	61%	2,229	1,791	24%	24%	24%	25%
Adecco Northern Europe	645	523	23%	20%	21%	20%	1,286	1,180	9%	9%	9%	9%
Adecco DACH	364	275	32%	34%	34%	33%	705	625	13%	14%	14%	14%
Adecco Southern Europe & EEMENA	986	705	40%	41%	41%	39%	1,894	1,530	24%	25%	25%	25%
Adecco Americas	614	549	12%	19%	19%	19%	1,225	1,242	-1%	8%	8%	8%
Adecco APAC	466	467	0%	6%	6%	5%	932	959	-3%	3%	3%	2%
Adecco	4,264	3,259	31%	33%	33%	33%	8,271	7,327	13%	16%	16%	16%
Talent Solutions	456	389	17%	22%	22%	21%	902	865	4%	10%	10%	10%
Modis	543	533	2%	6%	12%	12%	1,061	1,128	-6%	-2%	3%	4%
Adecco Group	5,263	4,181	26%	29%	30%	29%	10,234	9,320	10%	13%	14%	14%

Revenues by service line

Revenues by service line EUR millions	Q2		Variance % 21 vs 20			HY		Variance % 21 vs 20		
	2021	2020 ¹⁾	EUR	Constant currency	Organic	2021	2020 ¹⁾	EUR	Constant currency	Organic
Flexible Placement	4,352	3,427	27%	29%	30%	8,440	7,695	10%	13%	13%
Permanent Placement	151	84	81%	87%	88%	268	221	21%	26%	27%
Career Transition	80	89	-10%	-6%	-7%	174	184	-5%	0%	-1%
Outsourcing, Consulting & Other Services	596	532	12%	16%	17%	1,189	1,106	8%	12%	12%
Training, Upskilling & Reskilling	84	49	72%	79%	78%	163	114	44%	50%	50%
Adecco Group	5,263	4,181	26%	29%	30%	10,234	9,320	10%	13%	14%

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

EBITA¹⁾ and EBITA margin by segment

EBITA EUR millions	Q2		Variance % 21 vs 20		% of EBITA ²⁾ Q2 2021	HY		Variance % 21 vs 20		% of EBITA ²⁾ HY 2021
	2021	2020	EUR	Constant currency		2021	2020	EUR	Constant currency	
Adecco France	64	7	785%	785%	24%	114	57	100%	100%	22%
Adecco Northern Europe	15	(2)	n.m.	n.m.	6%	31	1	n.m.	n.m.	6%
Adecco DACH	14	(19)	n.m.	n.m.	5%	17	(28)	n.m.	n.m.	3%
Adecco Southern Europe & EEMENA	58	25	131%	134%	21%	109	63	71%	73%	21%
Adecco Americas	19	1	n.m.	n.m.	7%	39	15	153%	183%	8%
Adecco APAC	25	31	-17%	-10%	9%	58	58	0%	8%	12%
Adecco	195	43	361%	391%	72%	368	166	122%	131%	72%
Talent Solutions	41	21	96%	110%	15%	78	52	50%	63%	15%
Modis	35	26	33%	42%	13%	65	50	31%	40%	13%
Corporate	(43)	(40)	9%	13%		(82)	(82)	0%	0%	
Adecco Group	228	50	360%	398%	100%	429	186	131%	147%	100%

EBITA margin	Q2		Variance bps	HY		Variance bps
	2021	2020		2021	2020	
Adecco France	5.4%	1.0%	440	5.1%	3.2%	190
Adecco Northern Europe	2.3%	-0.5%	280	2.4%	0.0%	240
Adecco DACH	3.8%	-7.0%	1,080	2.4%	-4.5%	690
Adecco Southern Europe & EEMENA	5.9%	3.6%	230	5.7%	4.2%	150
Adecco Americas	3.1%	0.3%	280	3.2%	1.2%	200
Adecco APAC	5.4%	6.5%	(110)	6.2%	6.0%	20
Adecco	4.6%	1.3%	330	4.4%	2.3%	210
Talent Solutions	9.0%	5.4%	360	8.6%	6.0%	260
Modis	6.4%	4.9%	150	6.1%	4.4%	170
Adecco Group	4.3%	1.2%	310	4.2%	2.0%	220

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

EBITA¹⁾ and EBITA margin excluding one-offs by segment

EBITA	Q2		Variance % 21 vs 20		% of EBITA ²⁾	HY		Variance % 21 vs 20		% of EBITA ²⁾
	2021	2020	EUR	Constant currency		2021	2020	EUR	Constant currency	
EUR millions					Q2 2021					HY 2021
Adecco France	66	8	805%	805%	24%	117	58	105%	105%	22%
Adecco Northern Europe	18	3	438%	428%	6%	36	7	361%	369%	7%
Adecco DACH	14	(16)	n.m.	n.m.	5%	17	(19)	n.m.	n.m.	3%
Adecco Southern Europe & EEMENA	58	25	131%	133%	21%	109	63	71%	73%	21%
Adecco Americas	20	8	156%	166%	7%	40	22	79%	99%	8%
Adecco APAC	25	30	-17%	-10%	9%	58	58	0%	8%	11%
Adecco	201	58	247%	265%	72%	377	189	99%	107%	72%
Talent Solutions	44	29	54%	64%	16%	83	64	30%	41%	16%
Modis	35	28	25%	33%	12%	66	58	14%	21%	12%
Corporate	(43)	(40)	9%	13%	-	(82)	(82)	0%	0%	-
Adecco Group	237	75	215%	237%	100%	444	229	94%	106%	100%

EBITA margin	Q2		Variance bps	HY		Variance bps
	2021	2020		2021	2020	
Adecco France	5.6%	1.0%	460	5.3%	3.2%	210
Adecco Northern Europe	2.8%	0.7%	210	2.8%	0.7%	210
Adecco DACH	3.8%	-5.8%	960	2.4%	-3.1%	550
Adecco Southern Europe & EEMENA	5.9%	3.6%	230	5.7%	4.2%	150
Adecco Americas	3.2%	1.4%	180	3.2%	1.8%	140
Adecco APAC	5.4%	6.5%	(110)	6.2%	6.0%	20
Adecco	4.7%	1.8%	290	4.6%	2.6%	200
Talent Solutions	9.6%	7.4%	220	9.2%	7.4%	180
Modis	6.5%	5.3%	120	6.2%	5.1%	110
Adecco Group	4.5%	1.8%	270	4.3%	2.5%	180

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		
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020		HY 2021	HY 2020	HY 2021	HY 2020	
EUR millions												
Adecco France	66	8	(2)	(1)	64	7	117	58	(3)	(1)	114	57
Adecco Northern Europe	18	3	(3)	(5)	15	(2)	36	7	(5)	(6)	31	1
Adecco DACH	14	(16)	-	(3)	14	(19)	17	(19)	-	(9)	17	(28)
Adecco Southern Europe & EEMENA	58	25	-	-	58	25	109	63	-	-	109	63
Adecco Americas	20	8	(1)	(7)	19	1	40	22	(1)	(7)	39	15
Adecco APAC	25	30	-	1	25	31	58	58	-	-	58	58
Adecco	201	58	(6)	(15)	195	43	377	189	(9)	(23)	368	166
Talent Solutions	44	29	(3)	(8)	41	21	83	64	(5)	(12)	78	52
Modis	35	28	-	(2)	35	26	66	58	(1)	(8)	65	50
Corporate	(43)	(40)	-	-	(43)	(40)	(82)	(82)	-	-	(82)	(82)
Adecco Group	237	75	(9)	(25)	228	50	444	229	(15)	(43)	429	186

Consolidated statements of operations

EUR millions except share and per share information	Q2		Variance %		HY		Variance %	
	2021	2020	EUR	Constant currency	2021	2020	EUR	Constant currency
Revenues	5,263	4,181	26%	29%	10,234	9,320	10%	13%
Direct costs of services	(4,206)	(3,395)			(8,179)	(7,540)		
Gross profit	1,057	786	3.4%	39%	2,055	1,780	15%	20%
Selling, general, and administrative expenses	(834)	(741)	12%	16%	(1,639)	(1,608)	2%	5%
Proportionate net income of equity method investment FESCO Adecco	5	5	-3%	5%	13	14	-9%	-1%
EBITA¹⁾	228	50	360%	398%	429	186	131%	147%
Amortisation of intangible assets	(17)	(21)			(36)	(42)		
Impairment of goodwill						(362)		
Operating income/(loss)	211	29	627%	708%	393	(218)	n.m.	n.m.
Interest expense	(6)	(7)			(13)	(15)		
Other income/(expenses), net	(2)	(5)			(1)	(5)		
Income/(loss) before income taxes	203	17	n.m.		379	(238)	n.m.	
Provision for income taxes	(57)	5			(109)	(88)		
Net income/(loss)	146	22	589%		270	(326)	n.m.	
Net income attributable to noncontrolling interests	(1)	(1)			(1)	(1)		
Net income/(loss) attributable to Adecco Group shareholders	145	21	598%		269	(327)	n.m.	
Basic earnings/(loss) per share²⁾	0.90	0.13	599%		1.67	(2.02)	n.m.	
Diluted earnings/(loss) per share³⁾	0.90	0.13	598%		1.66	(2.01)	n.m.	
<i>Gross margin</i>	<i>20.1%</i>	<i>18.8%</i>			<i>20.1%</i>	<i>19.1%</i>		
<i>SG&A as a percentage of revenues</i>	<i>15.8%</i>	<i>17.7%</i>			<i>16.0%</i>	<i>17.2%</i>		
<i>EBITA margin</i>	<i>4.3%</i>	<i>1.2%</i>			<i>4.2%</i>	<i>2.0%</i>		
<i>Operating income/(loss) margin</i>	<i>4.0%</i>	<i>0.7%</i>			<i>3.8%</i>	<i>-2.3%</i>		
<i>Net income/(loss) margin attributable to Adecco Group shareholders</i>	<i>2.8%</i>	<i>0.5%</i>			<i>2.6%</i>	<i>-3.5%</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 161,107,369 in Q2 2021 and 161,150,966 in HY 2021 (161,396,059 in Q2 2020 and 161,723,131 in HY 2020).

3) Diluted weighted-average shares were 161,806,117 in Q2 2021 and 161,878,038 in HY 2021 (161,805,244 in Q2 2020 and 162,184,333 in HY 2020).

Consolidated balance sheets

EUR millions	30 June 2021	31 December 2020
Assets		
Current assets:		
- Cash and cash equivalents	1,285	1,485
- Trade accounts receivable, net	3,963	3,870
- Other current assets	412	399
Total current assets	5,660	5,754
Property, equipment, and leasehold improvements, net	298	305
Operating lease right-of-use assets	365	395
Equity method investments	127	109
Other assets	684	645
Intangible assets, net	209	245
Goodwill	2,389	2,339
Total assets	9,732	9,792
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
- Accounts payable and accrued expenses	4,038	3,990
- Current operating lease liabilities	167	178
- Short-term debt and current maturities of long-term debt	297	294
Total current liabilities	4,502	4,462
Operating lease liabilities	232	251
Long-term debt, less current maturities	1,550	1,567
Other liabilities	309	294
Total liabilities	6,593	6,574
Shareholders' equity		
Adecco Group shareholders' equity:		
- Common shares	10	10
- Additional paid-in capital	573	582
- Treasury shares, at cost	(123)	(89)
- Retained earnings	3,044	3,139
- Accumulated other comprehensive income/(loss), net	(375)	(433)
Total Adecco Group shareholders' equity	3,129	3,209
Noncontrolling interests	10	9
Total shareholders' equity	3,139	3,218
Total liabilities and shareholders' equity	9,732	9,792

Consolidated statements of cash flows

EUR millions	Q2		HY	
	2021	2020	2021	2020
Cash flows from operating activities				
Net income/(loss)	146	22	270	(326)
Adjustments to reconcile net income/(loss) to cash flows from operating activities:				
- Depreciation and amortisation	45	52	93	103
- Impairment of goodwill				362
- Other charges	(3)	(2)	(15)	67
Changes in operating assets and liabilities, net of acquisitions and divestitures:				
- Trade accounts receivable	(181)	507	(88)	863
- Accounts payable and accrued expenses	141	(141)	34	(468)
- Other assets and liabilities	(36)	(96)	(68)	(190)
Cash flows from operating activities	112	342	226	411
Cash flows from investing activities				
Capital expenditures	(28)	(31)	(53)	(70)
Cash settlements on derivative instruments	(14)		2	2
Other acquisition, divestiture and investing activities, net	(1)	(7)	(3)	(19)
Cash used in investing activities	(43)	(38)	(54)	(87)
Cash flows from financing activities				
Net increase/(decrease) in short-term debt	18	(10)	(4)	6
Borrowings of long-term debt, net of issuance costs		257		259
Repayment of long-term debt		(1)		(2)
Dividends paid to shareholders	(365)	(381)	(365)	(381)
Purchase of treasury shares	(47)	(30)	(47)	(46)
Other financing activities, net		(2)		(2)
Cash used in financing activities	(394)	(167)	(416)	(166)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(12)	(30)	27	(13)
Net increase/(decrease) in cash, cash equivalents and restricted cash	(337)	107	(217)	145
Cash, cash equivalents and restricted cash:				
- Beginning of period	1,688	1,454	1,568	1,416
- End of period	1,351	1,561	1,351	1,561