



ROBUST START TO 2021

Further strengthening of margin through delivery of strategy

Summary and highlights

- Revenues up 2% year-on-year organically¹ and trading days adjusted (TDA)
- Gross margin 20.1%, up 80 bps yoy, driven by improved mix and pricing discipline
- EBITA² margin excluding one-offs³ 4.2%, up 120 bps yoy, with positive gross margin performance further supported by productivity improvement
- Strong financial position and cash flow development: Net Debt/EBITDA⁴ excluding one-offs 0.3x, Free Cash Flow⁵ at EUR 89 million. Share buyback commenced in April
- Revenues in March 2021 up 9% organically and TDA, with volumes in April indicating gradual sequential recovery

“The Group had a robust start to 2021, showing continued resilience and sector-leading profitability. Despite the ongoing challenges from Covid-19, we returned to modest revenue growth, and several businesses are now back above 2019 levels. Positive mix development, pricing and cost discipline drove broad-based margin improvement. With our diversified portfolio of services we support our clients and candidates with the solutions they need to adapt to the future of work. As an essential service provider, we have an important role to play in helping society successfully exit from the current crisis, supporting a recovery in employment and a safe return to work for all.”

Since launching our Future@Work strategy at the end of last year, we have made good progress. We successfully transitioned to a new organisation structure built around three Global Business Units - Adecco, Talent Solutions and Modis - and several key strategic initiatives are well underway.

We are encouraged to see continued recovery, though we are mindful of uncertainties related to Covid-19 and the economic environment. Our unparalleled service range, operational agility and strong financial position provide a platform for generating long-term value for all our stakeholders, and delivering on our ambitious financial targets over the medium term. While the economic recovery may remain uneven, we will continue to implement our strategy with one clear objective: to make the future work for everyone.”

Alain Dehaze, Chief Executive Officer

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

² EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

³ In Q1 2021, EBITA included one-offs of EUR 6 million; in Q1 2020, EBITA included one-offs of EUR 18 million.

⁴ Net debt and Net debt to EBITDA are non-US GAAP measures. Net debt comprises short-term and long-term debt less cash and cash equivalents and short-term investments. Net debt to EBITDA is calculated as net debt at period end divided by last 4 quarters of EBITA excluding one-offs plus depreciation.

⁵ Free cash flow is a non-US GAAP measure and comprises cash flows from operating activities less capital expenditures.



Key figures overview

EUR millions unless stated	Q1 2021	Q1 2020	Change %	
			Reported	Organic
Summary of income statement information				
Revenues	4,971	5,139	-3%	1% ⁶
Gross profit	998	994	0%	5%
EBITA excluding one-offs	207	154	34%	42%
EBITA	201	136	47%	57%
Net income/(loss) attributable to Adecco Group shareholders	124	(348) ⁷	n.m.	
Diluted EPS (EUR)	0.76	(2.14) ⁷	n.m.	
Gross margin	20.1%	19.3%	80 bps	80 bps
EBITA margin excluding one-offs	4.2%	3.0%	120 bps	120 bps
EBITA margin	4.0%	2.6%	140 bps	140 bps
Summary of cash flow and net debt information				
Free cash flow before interest and tax paid (FCFBIT)	107	89		
Free cash flow (FCF)	89	30		
Net debt	227	388		
Days sales outstanding	51	53		
Cash conversion ⁸	117%	90%		
Net debt to EBITDA excluding one-offs	0.3x	0.3x		

⁶ In Q1 2021, organic revenue increased by 1%, or 2% trading days adjusted (TDA).

⁷ Includes goodwill impairment of EUR 362 million.

⁸ Cash conversion is a non-US GAAP measure and is calculated as last 4 quarters of FCFBIT divided by last 4 quarters of EBITA excluding one-offs.

Q1 2021 financial performance

Group performance overview

Revenues in Q1 2021 were up by 2%, organically and trading days adjusted (TDA). The year-on-year revenue trend improved through the quarter, influenced by the prior year comparison base, with January and February 2021 combined down 2% and March up 9% TDA. When compared to Q1 2019, first quarter revenues were 8% lower. Adecco returned to growth, up 2% TDA, driven by strong performance in Southern Europe & EEMENA, and stabilisation in the majority of other regions. Talent Solutions was flat, with growth in LHH and GA. In the later-cycle Modis business, revenues were down 3%, with growth in consulting not fully compensating lower revenues in flexible placement.

Focus on strengthening the business mix and price discipline drove an improvement in gross margin, which was 20.1%, up 80 bps year-on-year on a reported basis and also organically. EBITA margin excluding one-offs was 4.2%, up 120 bps year-on-year, reflecting gross margin improvement and cost discipline, with SG&A down 2% year-on-year organically and excluding one-offs. Cash flow remained strong, with DSO at 51 days, improving by two days compared to the prior year, and with cash conversion at 117%.



Revenues

Q1 2021 revenues were EUR 4,971 million, down 3% year-on-year on a reported basis. Currency movements and divestments had a negative impact on revenues of approximately 3.5% and 0.5% respectively, while the number of working days had a negative impact of approximately 1%. Revenue growth was therefore 2% on an organic and trading days adjusted basis.

By Global Business Unit (GBU): revenues in Adecco were up 2%, Talent Solutions was flat, while Modis revenues were down 3%, all compared to the prior year on an organic basis and trading days adjusted.

By service line: flexible placement revenues were flat year-on-year organically, at EUR 4,088 million; permanent placement revenues declined by 11% to EUR 117 million; revenues from career transition were EUR 94 million, up 4%; revenues in training, upskilling & reskilling were up 28%, to EUR 79 million, and outsourcing, consulting & other services were EUR 593 million, up 7%.

Gross Profit

Gross profit was EUR 998 million in Q1 2021, flat on a reported basis and up 5% organically. Gross margin was 20.1%, up 80 bps compared to Q1 2020. Currency had a negative impact of 10 bps while M&A had a positive impact of 10 bps. Therefore, on an organic basis, the gross margin was also up 80 bps, with positive contributions from flexible placement (+80 bps), career transition (+10 bps) and other services (+20 bps), partly offset by permanent placement (-30 bps). The temporary staffing gross margin benefitted from Covid-19 employment support schemes in Adecco Americas and Adecco Northern Europe, which added approximately 20 basis points to gross margin.

Selling, General and Administrative Expenses (SG&A)

SG&A excluding one-offs was EUR 800 million in Q1 2021, down 6% year-on-year on a reported basis or down 2% organically. Average FTE employees were 31,174, down 6% organically year-on-year. The number of branches declined by 9% organically year-on-year. Q1 2021 reported SG&A included restructuring costs of EUR 6 million, compared to EUR 16 million of restructuring costs and EUR 2 million of acquisition-related costs in the same period of the prior year.

EBITA

EBITA in Q1 2021 was EUR 201 million, which included EUR 8 million from the Group's FESCO Adecco JV in China. EBITA excluding one-offs was EUR 207 million, up 42% organically. EBITA margin excluding one-offs was 4.2%, up 120 bps year-on-year in reported terms and also organically. The conversion ratio of gross profit into EBITA excluding one-offs was 20.7%, up 520 bps on a reported basis year-on-year.

Amortisation of Intangible Assets and Impairment of Goodwill

Amortisation of intangible assets was EUR 19 million, compared to EUR 21 million in Q1 2020. In the same period of the prior year the Group recognised a goodwill impairment of EUR 362 million.

Operating Income/(Loss)

The Group generated an operating income in Q1 2021 of EUR 182 million. In Q1 2020, the Group reported an operating loss of EUR 247 million, driven by the goodwill impairment.

Interest Expense and Other Income/(Expenses), net

Interest expense was EUR 7 million, compared to EUR 8 million in Q1 2020. Other income/(expenses), net had an EUR 1 million favourable impact, compared to a neutral impact in Q1 2020.



Provision for Income Taxes

In Q1 2021, the effective tax rate (ETR) was 30%, compared to 51% in Q1 2020. Discrete events had no impact on the ETR in Q1 2021, whereas they increased the effective tax rate by around 6% in the prior year period. The effective tax rate excluding discrete events was therefore 30% in Q1 2021, compared to 45% in Q1 2020. The decline year-on-year mainly relates to the reduction in the French business tax ("CVAE") and the improvement in net income before taxes.

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

Net income attributable to Adecco Group shareholders was EUR 124 million, compared to a net loss of EUR 348 million in Q1 2020, which was driven by the goodwill impairment. Basic EPS was EUR 0.77 compared to EUR (2.15) in Q1 2020.

Cash Flow and Net Debt

Cash flow from operating activities was EUR 114 million in Q1 2021, compared to EUR 69 million in Q1 2020. The higher cash flow year-on-year was mainly driven by the higher profitability. DSO was 51 days in Q1 2021, down 2 days compared to the prior year. The rolling last four quarters cash conversion ratio was 117%, compared to 90% in Q1 2020. Net debt was EUR 227 million at 31 March 2021, compared to EUR 376 million at 31 December 2020 and EUR 388 million at 31 March 2020. Net debt to EBITDA excluding one-offs was 0.3x, compared to 0.4x at 31 December 2020 and 0.3x in the same period of the prior year.

Q1 2021 segment operating performance

Revenues and revenue growth

EUR millions unless stated	Revenues		Variance			% of revenues
	Q1 2021	Q1 2020	Reported	Organic	Organic TDA ⁹	Q1 2021
Adecco France	1,040	1,051	-1%	-1%	0%	21%
Adecco Northern Europe	641	657	-3%	-1%	0%	13%
Adecco DACH	341	350	-3%	-2%	0%	7%
Adecco Southern Europe & EEMENA	908	825	10%	11%	13%	18%
Adecco Americas	611	693	-12%	-2%	0%	12%
Adecco APAC	466	492	-5%	0%	-2%	10%
Adecco	4,007	4,068	-1%	1%	2%	81%
Talent Solutions	446	476	-6%	0%	0%	9%
Modis	518	595	-13%	-4%	-3%	10%
Adecco Group	4,971	5,139	-3%	1%	2%	100%

EBITA and EBITA margin excluding one-offs

EUR millions unless stated	EBITA excluding one-offs		EBITA margin excluding one-offs			% of EBITA ¹⁰
	Q1 2021 ¹¹	Q1 2020	Q1 2021	Q1 2020	Variance	Q1 2021
Adecco France	51	50	4.9%	4.7%	20 bps	21%
Adecco Northern Europe	18	4	2.8%	0.7%	210 bps	7%
Adecco DACH	3	(3)	1.0%	-0.9%	190 bps	1%
Adecco Southern Europe & EEMENA	51	38	5.6%	4.7%	90 bps	21%
Adecco Americas	20	14	3.2%	2.1%	110 bps	8%
Adecco APAC	33	28	7.0%	5.6%	140 bps	13%
Adecco	176	131	4.4%	3.2%	120 bps	71%
Talent Solutions	39	35	8.7%	7.4%	130 bps	16%
Modis	31	30	6.0%	5.0%	100 bps	13%
Corporate	(39)	(42)				
Adecco Group	207	154	4.2%	3.0%	120 bps	100%

⁹ TDA = trading days adjusted.

¹⁰ % of EBITA excluding one-offs and before Corporate.

¹¹ See page 10 for a reconciliation of EBITA to EBITA excluding one-offs by segment.



Note: all revenue growth rates in this section are year-on-year on an organic basis and trading days adjusted (TDA), unless otherwise stated

In **Adecco**, total revenues were EUR 4,007 million, up 2% year-on-year. Growth was driven by Southern Europe & EEMENA, with most other regions flat year-on-year and APAC slightly lower. EBITA excluding one offs was EUR 176 million with a margin of 4.4%, up 120 bps year-on-year. Further details by region can be found below.

Adecco France revenues were EUR 1,040 million, flat when compared to the prior year. Growth in logistics and transportation was offset by challenges in automotive and retail. EBITA excluding one offs was EUR 51 million with a margin of 4.9%, up 20 bps year-on-year. Good progress on increasing the proportion of revenues from higher-margin solutions (e.g. outsourcing, training), was partly offset by increased employee profit sharing linked to regulatory changes.

Adecco Northern Europe revenues were EUR 641 million, flat when compared to prior year. Revenue performance varied across the region. UK & Ireland grew by 13%, driven by strength in logistics and e-commerce. Revenues in Benelux declined by 12%, and the Nordics declined by 8%. Overall EBITA excluding one-offs was EUR 18 million, with a margin of 2.8%, up 210 bps versus the prior year. Margin improvement was driven by client mix, Covid-19 employment support schemes and strong cost discipline.

Adecco DACH revenues were EUR 341 million, flat year-on-year. Germany grew by 1%, while Switzerland & Austria declined by 4%. Double-digit growth in logistics and public sector clients was offset by lower demand from automotive, aerospace and retail. Overall EBITA excluding one-offs was EUR 3 million with a margin of 1.0%, up 190 bps year-on-year. The improvement was driven by lower bench costs, improved mix and pricing, as well as the benefit of restructuring actions in Germany during 2020.

Adecco Southern Europe & EEMENA revenues were EUR 908 million, up 13%. Revenues in Italy were up 21%, Iberia was up 3% and EEMENA grew by 9%. Growth was driven by higher demand from logistics and manufacturing clients. For the region, EBITA was EUR 51 million, with a margin of 5.6%, up 90 bps year-on-year driven by strong productivity gains.

Adecco Americas revenues were flat year-on-year at EUR 611 million. Strong growth in Latin America, up 23%, was offset by declines in North America, down 9%. The recovery in North America was held back by lower exposure to the more dynamic areas of the economy, such as logistics and transportation, and reduced demand in automotive. Overall EBITA was EUR 20 million, with a margin of 3.2%, compared to 2.1% in Q1 2020, supported by improved business mix and Covid-19 employment support schemes.

Adecco APAC revenues were EUR 466 million, down 2%. Revenue growth remained solid in Japan, up 3%, and Australia & New Zealand, up 2%. Asia decreased by 1%. India declined by 38%, linked to the exit of certain lower-margin activities in 2020. EBITA excluding one-offs was EUR 33 million and the margin was 7.0%, up 140 bps year-on-year, supported by good growth in higher-margin outsourcing activities.

In **Talent Solutions**, revenues were EUR 446 million, flat year-on-year. LHH (formerly Lee Hecht Harrison) grew organically by 7%. Lower activity in counter-cyclical career transition in the US, linked to the improving economy, was partly offset by stronger demand in Europe and an acceleration in talent development activities globally. General Assembly was up 1% organically, driven by strong demand in B2B. US Professional Recruitment revenues were flat compared to the prior year, with improving momentum through the quarter, particularly in permanent placement. Global Professional Recruitment revenues were down 6%. Pontoon declined by 4%, driven by lower revenues in lower-margin direct sourcing activities, with good growth in MSP and RPO. EBITA excluding one-offs was EUR 39 million and the EBITA margin was 8.7%, up 130 bps year-on-year. Improved pricing/business mix and productivity were partly offset by investments in digital capabilities.



In **Modis**, revenues were EUR 518 million, down 3%. Modis was more resilient than other GBUs during the early part of the Covid-19 crisis and hence did not benefit from easier year-on-year comparables in Q1 2021. Revenues declined by 4% in the Americas, 9% in EMEA and grew by 3% in APAC. Technology consulting activities continued to grow, up 5% year-on-year, mitigating the impact of lower revenues in flexible placement, down 12%. Overall, EBITA excluding one-offs was EUR 31 million, with a margin of 6.0%, up 100 bps compared to last year driven by growth in higher-margin consulting activities and improved bench utilisation.

Share buyback programme

On 7 April 2021, the Adecco Group commenced a share buyback programme of up to EUR 600 million. Shares repurchased under the programme are intended for subsequent cancellation, following shareholder approval. As of 30 April 2021, the Adecco Group has acquired 296,500 shares under this programme for EUR 17 million.

Management outlook

Revenues grew by 2% in Q1 2021, organically and trading days adjusted. Revenues in March 2021 were up 9% year-on-year, influenced by the prior year comparison base, as March 2020 experienced the first impact of Covid-19.

Revenue trends during Q1 2021 were broadly stable sequentially as lockdowns across most European countries slowed the pace of recovery.

Volumes in April indicate a return to gradual sequential improvement, as vaccination campaigns accelerate and Covid-19 restrictions are gradually lifted. As a result, management expects a bounce back in revenues in Q2 2021, supported by the prior year comparison base. At the same time, Covid-19 related and economic uncertainties remain elevated.

The Group will continue to invest in areas of growth and its Future@Work transformation, with a focus on driving strong productivity and operating leverage from the return to revenue growth. The Group aims to achieve a drop-down ratio of approximately 50% (conversion of incremental gross profit into incremental EBITA) in the early phase of revenue recovery.

Q1 2021 results conference call

There will be an analyst and investor conference call at 10.00 am CEST. The conference call can be followed either via webcast or via telephone call:

UK/Global + 44 (0) 207 107 0613

United States + 1 (1) 631 570 56 13

Cont. Europe + 41 (0) 58 310 50 00

The Q1 2021 results presentation will be available through the webcast and will be published on the Investor Relations section on the Group's website.

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Financial Agenda

- Q2 2021 results 5 August 2021
- Q3 2021 results 2 November 2021
- Q4 2021 results 24 February 2022

Forward-looking statements

Information in this release may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based on information available to Adecco Group AG as of the date of this release, and we assume no duty to update any such forward-looking statements. The forward-looking statements in this release are not guarantees of future performance and actual results could differ materially from our current expectations. Numerous factors could cause or contribute to such differences. Factors that could affect the Company's forward-looking statements include, among other things: global GDP trends and the demand for temporary work; 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.

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 ranked one of the 'World's Best Workplaces' by Great Place to Work®.

The Adecco Group AG is headquartered in Zurich, Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN). The Group is powered by three global business units: Adecco, Talent Solutions and Modis.



Revenues by segment

Revenues by segment EUR millions	Q1		Variance % 21 vs 20			
	2021	2020	EUR	Constant currency	Organic	Organic TDA
Adecco France	1,040	1,051	-1%	-1%	-1%	0%
Adecco Northern Europe	641	657	-3%	-1%	-1%	0%
Adecco DACH	341	350	-3%	-2%	-2%	0%
Adecco Southern Europe & EEMENA	908	825	10%	11%	11%	13%
Adecco Americas	611	693	-12%	-2%	-2%	0%
Adecco APAC	466	492	-5%	0%	0%	-2%
Adecco	4,007	4,068	-1%	1%	1%	2%
Talent Solutions	446	476	-6%	0%	0%	0%
Modis	518	595	-13%	-9%	-4%	-3%
Adecco Group	4,971	5,139	-3%	0%	1%	2%

Revenues by service line

Revenues by service line EUR millions	Q1		Variance % 21 vs 20		
	2021	2020 ¹⁾	EUR	Constant currency	Organic
Flexible Placement	4,088	4,268	-4%	-1%	0%
Permanent Placement	117	137	-15%	-11%	-11%
Career Transition	94	95	-1%	5%	4%
Outsourcing, Consulting & Other Services	593	574	3%	7%	7%
Training, Upskilling & Reskilling	79	65	23%	29%	28%
Adecco Group	4,971	5,139	-3%	0%	1%

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	Q1		Variance % 21 vs 20	
	2021	2020	EUR	Constant currency
EUR millions				
Adecco France	50	50	1%	1%
Adecco Northern Europe	16	3	430%	464%
Adecco DACH	3	(9)	n.m.	n.m.
Adecco Southern Europe & EEMENA	51	38	32%	33%
Adecco Americas	20	14	42%	65%
Adecco APAC	33	27	19%	27%
Adecco	173	123	40%	45%
Talent Solutions	37	31	19%	30%
Modis	30	24	28%	37%
Corporate	(39)	(42)	-8%	-8%
Adecco Group	201	136	47%	57%

EBITA margin	Q1		Variance bps
	2021	2020	
Adecco France	4.8%	4.7%	10
Adecco Northern Europe	2.5%	0.5%	200
Adecco DACH	1.0%	-2.6%	360
Adecco Southern Europe & EEMENA	5.6%	4.7%	90
Adecco Americas	3.2%	2.0%	120
Adecco APAC	7.0%	5.6%	140
Adecco	4.3%	3.0%	130
Talent Solutions	8.2%	6.5%	170
Modis	5.9%	4.0%	190
Adecco Group	4.0%	2.6%	140

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



Reconciliation of EBITA to EBITA excluding one-offs

EBITA	EBITA excluding one-offs		One-offs		EBITA	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
EUR millions						
Adecco France	51	50	(1)	-	50	50
Adecco Northern Europe	18	4	(2)	(1)	16	3
Adecco DACH	3	(3)	-	(6)	3	(9)
Adecco Southern Europe & EEMENA	51	38	-	-	51	38
Adecco Americas	20	14	-	-	20	14
Adecco APAC	33	28	-	(1)	33	27
Adecco	176	131	(3)	(8)	173	123
Talent Solutions	39	35	(2)	(4)	37	31
Modis	31	30	(1)	(6)	30	24
Corporate	(39)	(42)	-	-	(39)	(42)
Adecco Group	207	154	(6)	(18)	201	136



Consolidated statements of operations

EUR millions except share and per share information	Q1		Variance %	
	2021	2020	EUR	Constant currency
Revenues	4,971	5,139	-3%	0%
Direct costs of services	(3,973)	(4,145)		
Gross profit	998	994	0%	5%
Selling, general, and administrative expenses	(805)	(867)	-7%	-4%
Proportionate net income of equity method investment FESCO Adecco	8	9	-13%	-5%
EBITA¹⁾	201	136	47%	57%
Amortisation of intangible assets	(19)	(21)		
Impairment of goodwill		(362)		
Operating income/(loss)	182	(247)	n.m.	n.m.
Interest expense	(7)	(8)		
Other income/(expenses), net	1			
Income/(loss) before income taxes	176	(255)	n.m.	
Provision for income taxes	(52)	(93)		
Net income/(loss)	124	(348)	n.m.	
Net income attributable to noncontrolling interests				
Net income/(loss) attributable to Adecco Group shareholders	124	(348)	n.m.	
Basic earnings/(loss) per share²⁾	0.77	(2.15)	n.m.	
Diluted earnings/(loss) per share³⁾	0.76	(2.14)	n.m.	
<i>Gross margin</i>	<i>20.1%</i>	<i>19.3%</i>		
<i>SG&A as a percentage of revenues</i>	<i>16.2%</i>	<i>16.9%</i>		
<i>EBITA margin</i>	<i>4.0%</i>	<i>2.6%</i>		
<i>Operating income/(loss) margin</i>	<i>3.7%</i>	<i>-4.8%</i>		
<i>Net income/(loss) margin attributable to Adecco Group shareholders</i>	<i>2.5%</i>	<i>-6.8%</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 161,195,049 in Q1 2021 (162,050,267 in Q1 2020).

3) Diluted weighted-average shares were 161,950,445 in Q1 2021 (162,495,860 in Q1 2020).



Consolidated balance sheets

EUR millions	31 March 2021	31 December 2020
Assets		
Current assets:		
- Cash and cash equivalents	1,608	1,485
- Trade accounts receivable, net	3,817	3,870
- Other current assets	423	399
Total current assets	5,848	5,754
Property, equipment, and leasehold improvements, net	300	305
Operating lease right-of-use assets	377	395
Equity method investments	122	109
Other assets	646	645
Intangible assets, net	225	245
Goodwill	2,408	2,339
Total assets	9,926	9,792
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
- Accounts payable and accrued expenses	3,951	3,990
- Current operating lease liabilities	171	178
- Short-term debt and current maturities of long-term debt	283	294
Total current liabilities	4,405	4,462
Operating lease liabilities	241	251
Long-term debt, less current maturities	1,552	1,567
Other liabilities	294	294
Total liabilities	6,492	6,574
Shareholders' equity		
Adecco Group shareholders' equity:		
- Common shares	10	10
- Additional paid-in capital	575	582
- Treasury shares, at cost	(75)	(89)
- Retained earnings	3,263	3,139
- Accumulated other comprehensive income/(loss), net	(348)	(433)
Total Adecco Group shareholders' equity	3,425	3,209
Noncontrolling interests	9	9
Total shareholders' equity	3,434	3,218
Total liabilities and shareholders' equity	9,926	9,792



Consolidated statements of cash flows

EUR millions	Q1	
	2021	2020
Cash flows from operating activities		
Net income/(loss)	124	(348)
Adjustments to reconcile net income/(loss) to cash flows from operating activities:		
- Depreciation and amortisation	48	51
- Impairment of goodwill		362
- Other charges	(12)	69
Changes in operating assets and liabilities, net of acquisitions and divestitures:		
- Trade accounts receivable	93	356
- Accounts payable and accrued expenses	(107)	(327)
- Other assets and liabilities	(32)	(94)
Cash flows from operating activities	114	69
Cash flows from investing activities		
Capital expenditures	(25)	(39)
Cash settlements on derivative instruments	16	2
Other acquisition, divestiture and investing activities, net	(2)	(12)
Cash used in investing activities	(11)	(49)
Cash flows from financing activities		
Net increase/(decrease) in short-term debt	(22)	16
Borrowings of long-term debt, net of issuance costs		2
Repayment of long-term debt		(1)
Purchase of treasury shares		(16)
Cash flows from/(used in) financing activities	(22)	1
Effect of exchange rate changes on cash, cash equivalents and restricted cash	39	17
Net increase in cash, cash equivalents and restricted cash	120	38
Cash, cash equivalents and restricted cash:		
- Beginning of period	1,568	1,416
- End of period	1,688	1,454