

Advancing our business

2019 was a year of continued transformation and strategic progress. While the economic environment was difficult, we did not compromise long-term investments and remained focused on delivering our ‘Perform, Transform, Innovate’ strategy, to position the business for profitable growth and broader stakeholder value creation.

Revenues

€23.4bn

Down 3% on an organic¹ basis, impacted by slower market growth

Cash conversion³

93%

Strong underlying cash flow while continuing to invest

Share buyback

€600m

Returning excess capital to shareholders, in line with our capital allocation policy

Permanent placements

100,000+

People placed in permanent employment

Gross margin

19.2%

+60bps YoY driven by improved business mix and value-based pricing

Dividend⁴

CHF 2.50

Stable YoY and representing a 52% payout ratio

Net Promoter Score (Client)

23

Delivering more value to our clients

Number of associates on assignment

600,000+

Associates provided with flexible employment every day

EBITA² margin excluding one-offs

4.6%

+10bps YoY supported by GrowTogether productivity savings

Net debt/EBITDA⁵

0.3x

Robust financial position benefiting from free cash flow and divestments

Great Place to Work[®] Ranking

11th

Out of more than 8,000 participating companies globally

People trained and coached

500,000+

Enhancing their employability and accelerating their careers

The Adecco Group delivered a solid financial performance against a backdrop of ongoing economic uncertainty and market slowdown. Despite the challenging conditions that impacted revenues, the Group achieved gross margin and EBITA margin improvement, thanks to a clear focus on customer value and operational efficiency.

in EUR millions unless stated	FY 2019	FY 2018	Variance	
			Reported	Organic
Summary of income statement information				
Revenues	23,427	23,867	-2%	-3%
Gross profit	4,504	4,433	2%	-1%
EBITA excluding one-offs	1,069	1,080	-1%	-1%
EBITA	988	987	0%	0%
Net income attributable to Adecco Group shareholders	727	458	59%	
Diluted EPS (EUR)	4.47	2.77	62%	
Dividend per share (CHF)	2.50	2.50	0%	
Gross margin	19.2%	18.6%	60 bps	40 bps
EBITA margin excluding one-offs	4.6%	4.5%	10 bps	10 bps
EBITA margin	4.2%	4.1%	10 bps	20 bps
Summary of cash flow and net debt information				
Free cash flow before interest and tax paid (FCFBIT) ⁶	999	903		
Free cash flow (FCF) ⁶	724	569		
Net debt	398	1,124		
Days sales outstanding	53	53		
Cash conversion	93%	84%		
Net debt to EBITDA excluding one-offs	0.3x	1.0x		

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 Cash conversion is a non-US GAAP measure and is calculated as free cash flow before interest and tax paid divided by EBITA excluding one-offs. Free cash flow is a non-US GAAP measure and is calculated as cash flows from operating activities less capital expenditures.

4 For 2019, as proposed by the Board of Directors.

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

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

