



KENICHIRO KAWASAKI

Ken is Country Head of Japan and President & CEO of VSN Inc. He joined the Adecco Group in 2012, with the acquisition of VSN, where he was CEO. His background is in professional solutions, having begun his career at VSN in 1999 as a consultant and worked his way up through various management positions before being appointed CEO in 2010.

Perform

Perform means continuing to drive growth in a cost-disciplined, returns-focused way. It is about how we deliver the results, not just the outcome. That means embedding proven concepts such as segmentation, expanding our higher-value solutions, and driving value realisation from the PERFORM (lean) approach.

Q. What have been the key drivers of outperformance in Japan in 2019?

The strong performance in Japan, where we grew our market share and expanded our sector-leading margins, comes from focusing on four key drivers: improving the business mix, CCPM (Client and Candidate Portfolio Management), value-based pricing and disciplined cost management.

In terms of business mix, we have been actively shifting the portfolio towards higher-value, faster-growing segments of the market, such as professional staffing and permanent placement. This has delivered strong results, including 12% organic revenue growth in 2019 in professional staffing, which is now around 30% of sales.

The Japanese market is characterised by talent scarcity. In 2019, there were 1.6 open jobs for every applicant. This scarcity is driven by demographics and changing skills requirements, and in many ways is an indication of what markets in Europe and North America might look like in 10–15 years. Talent scarcity drives client demand for permanent recruitment services, to help find hard-to-reach workers, and also for innovative models such as the augmented staffing solutions offered by our Modis VSN business. Here we not only find candidates but essentially 'create' them, taking talented individuals and training them in IT and engineering skills before deploying them to our clients. In this way we increase the employability of individuals and help fill talent gaps for businesses.

In the general staffing business (GS), we also drove good organic growth of 5%, supported by the CCPM approach and our value-based pricing strategy. CCPM provides a framework for client and candidate pipeline management, with clear goals and KPIs and data-driven performance management. It helps us to guide our salespeople and recruiters, balance supply and demand and allocate resources appropriately.

On pricing, there are two elements. First, we have become more sophisticated in our governance and tools. That means dynamically reflecting labour market trends and specifications. Second, we have worked with clients with lower gross margins to understand how we could bring additional services to add more value.

Finally, on the productivity side we have been laser-focused on balancing gross profit growth and FTE growth. We have clear criteria for making headcount investments, based on activity KPIs and our sales pipeline, and also a rigorous process for onboarding new hires and bringing them to productivity.

Q. How far forward is Japan in rolling out PERFORM? What have been the results so far?

So far, around 20% of FTEs in Japan have completed the 12-week PERFORM training, mainly in our general staffing front-office teams. The GS business is competitive and typically lower gross margin, hence efficiency is key. By employing a lean manufacturing approach to our service operations, we encourage our consultants to rethink work processes and allocate resources more effectively. We have seen a notable impact on the team-based problem-solving culture, better communication and improved engagement.

PERFORM roll-out is done in waves and at each stage we measure the impact against a control group and historical benchmarks. This ensures that we are realising value from the programme, which is a considerable investment of time and resources.

In terms of tangible impacts, when we consider the first wave, which began in Q4 2018, after two quarters we saw that placements per FTE increased by 20% and overtime hours reduced by 30%, relative to the control groups. That means more revenues, lower costs and happier clients. And when our colleagues see that the approach works, it becomes a virtuous circle.

Q. How will you drive continued performance?

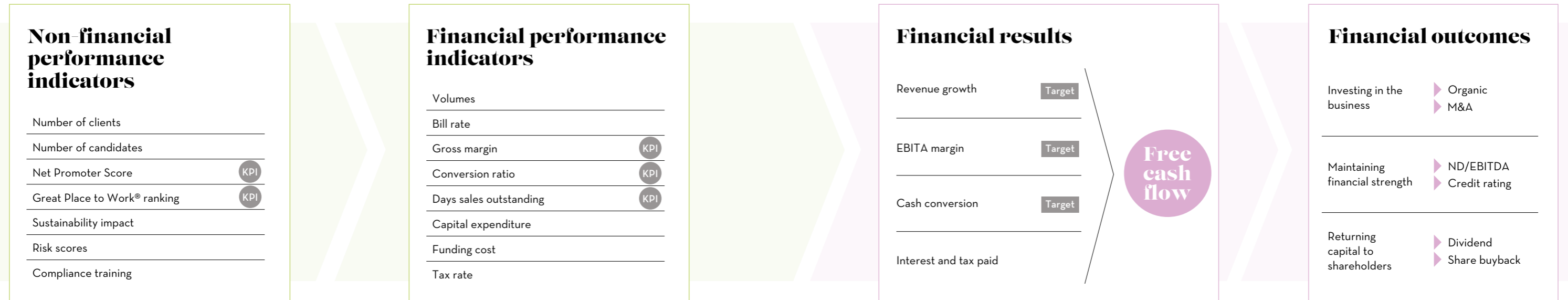
Growth in 2020 will essentially come from a continuation of our current strategy; driving a customer-centric culture, seizing opportunities in professional staffing and further strengthening our permanent placement capabilities. This will be further supported by our technology roadmap, where we have been heavily investing to underpin long-term profitable growth.

One key example is the launch of our new integrated front-office platform, which went live in Q1 2020. The tool centralises processes that used to be spread across multiple platforms and significantly improves the speed and accuracy of candidate search and match, amongst other improvements.

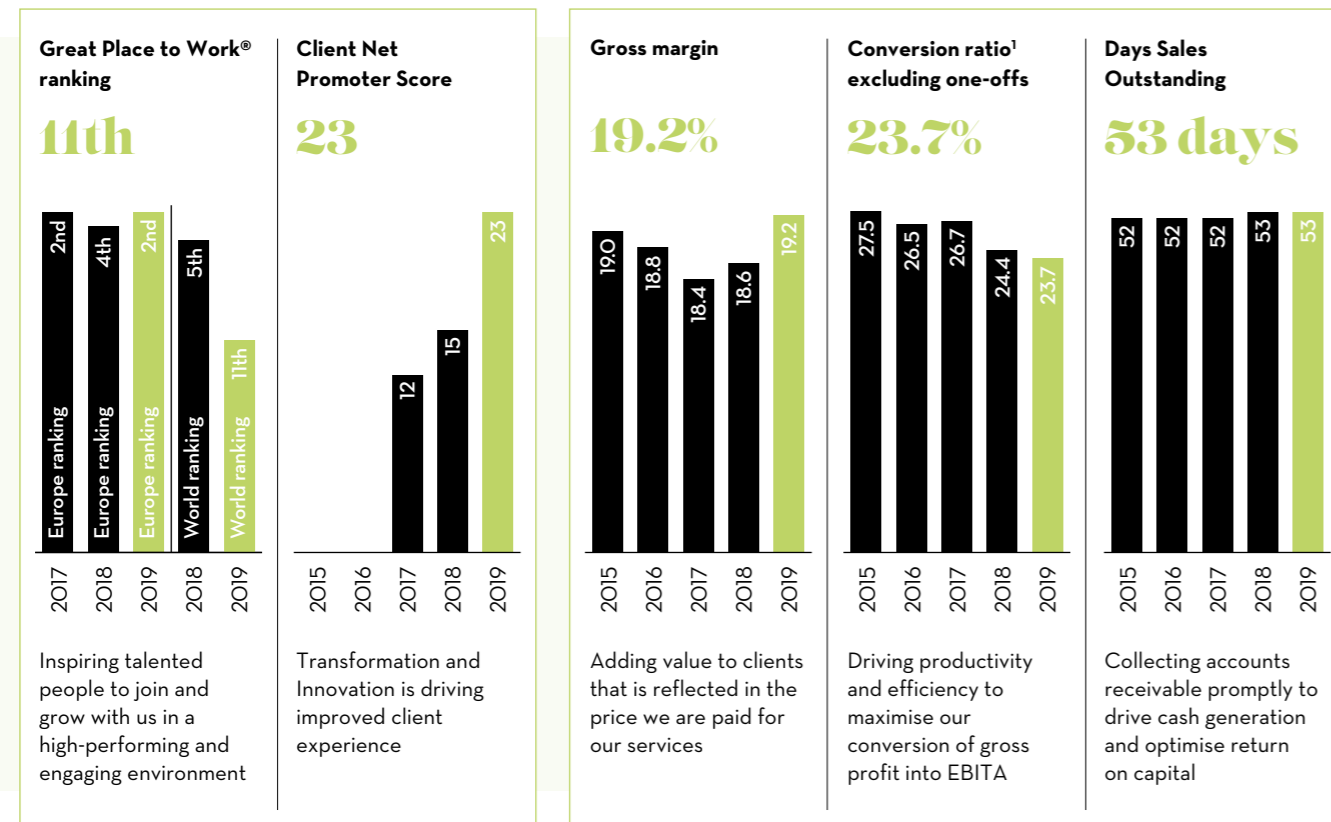
The Japanese market itself will also go through some changes during 2020, with the implementation of equal pay for temporary associates. We have been working hard with our clients, since early 2019, and are well prepared to navigate this change. We believe that the move will further improve the position of flexible working in Japan, driving continued industry growth.

Performance management framework

We continuously monitor both non-financial and financial indicators to steer our operations and drive value creation.

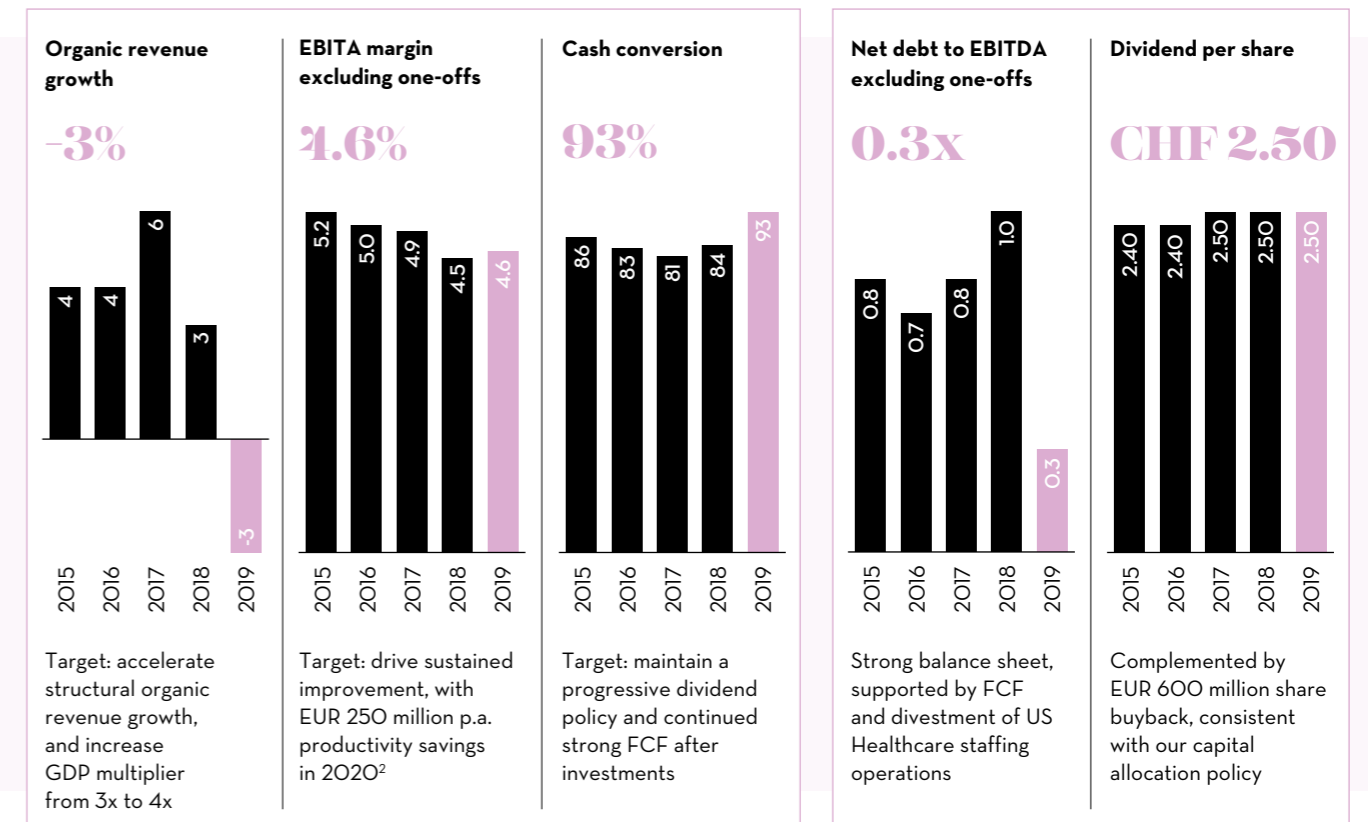


Key performance indicators



¹ Conversion ratio is a non-US GAAP measure and is calculated as EBITA excluding one-offs divided by gross profit.

Financial targets



² Equivalent to a reduction in SG&A as a percentage of revenues of 100 bps, compared with the 2016 baseline.

CHRISTOPHE CATOIR

Christophe is an Executive Committee member and Regional Head of France and Northern Europe. He has more than 20 years of experience within the Adecco Group, holding various management roles in general staffing, professional staffing and permanent recruitment in France, before being asked to lead the French business in 2015.

ALEX FLEMING

Alex is Country Head of the UK & Ireland. She began her career as a recruitment consultant with Adecco in 1997, in London. Alex rose up through the ranks first as a branch manager, then regional manager and eventually taking on national responsibility for the Adecco brand, in 2013. She was promoted to Country Head in 2018.



Transform

Transform describes how we are strengthening our core businesses, driving growth by enhancing client and candidate experiences, and expanding into new segments. We are also transforming our cost structure and improving productivity, by leveraging technology and digital solutions.



Q. What is the GrowTogether programme?

Christophe Catoir (CC): GrowTogether is a Group-wide transformation programme, launched in 2017, with the aim of strengthening our core business. Its first pillar is service excellence, or customer-centricity: asking what clients, candidates and associates really value. One way we measure that is Net Promoter Score, which we track throughout the value chain to identify what is working well and what is not. With that data, we can determine how to improve our processes and deploy technology to achieve better customer outcomes.

The second pillar is process optimisation and specifically the deployment of a methodology called PERFORM, which brings a lean manufacturing approach to our operations. It focuses on reducing non-value added activities and amplifying the work that our customers really value.

The final pillar is technology: bringing new digital tools into the business to improve the client, candidate and colleague experience, and to increase efficiency. Historically there were a lot of administrative tasks being performed by our people that can be done more effectively with new technology.

Alex Fleming (AF): For me, GrowTogether is all about freeing our consultants to spend more time with our customers. More time recruiting and advising candidates, helping them find a career they love, and more time winning new clients and delivering great value. And of course less time on administration! It's a win-win because we are increasing our customer value and simultaneously improving the efficiency of our operations; more value at a lower cost-to-serve, which will drive profitable growth.

CC: In France, we are also transforming by developing new solutions that address the changing needs of our clients; for example, new forms of flexibility and outsourcing solutions. In fact, more than 25% of our gross profit now comes from solutions other than traditional temp staffing.

Q. How has GrowTogether developed over the last 12 months?

AF: In 2019, the programme really ramped up in terms of activity and impact. At the Group level we overachieved both the productivity goal (by EUR 20 million to reach EUR 140 million annual savings) and the Net Promoter Score target (client NPS +8 points YoY).

We put 10,000 people through the 12-week long PERFORM training, which is a significant undertaking. We rolled out v1 of the integrated front-office (InFO) platform to 7,500 colleagues. We also turned local successes, like the candidate app in France, into global products that we scaled into additional geographies. So it was a busy and productive year which we expect to be followed by an even busier and more productive 2020.

CC: There have also been some key changes to the governance of GrowTogether, which has become more embedded in the business and with the digital organisation. Corporate has set the strategy and direction, and now ownership has transferred to the business, which is a natural evolution.

Part of that process has been the establishment of the product management teams within the digital organisation. Dedicated product managers are responsible for each of the key technology products, for example the candidate app or AI chatbots, managing development and driving adoption in the business.

Q. Which aspects of GrowTogether have had the biggest impact in your countries?

CC: What is interesting about GrowTogether is that there is not one single initiative that dominates. It is a collection of many smaller initiatives that together have a big impact. Having said that, in France an obvious highlight is the candidate mobile app, which is digitalising the way we interact with our candidates and associates, allowing them to manage their availability, search for and accept jobs, and handle the majority of administrative tasks. It has now been downloaded more than 1 million times and we have more than 250,000 monthly active users.

GrowTogether



Service Excellence

Put customer-centricity at the heart of what we do

NPS measurement and activation

- Benchmarking and analysis of pain points and positives in customer journey
- 2019 Net Promoter Score: Clients +8pts, Candidates +4pts



Process Optimisation

Transform the way we perform

PERFORM ('lean') method

- PERFORM method brings a lean manufacturing approach to our business
- 10,000 employees trained across 16 countries
- +10% average productivity increase post-implementation



Technology

Increase our value proposition and reduce cost-to-serve

Consultant tools and commercial solutions

- Sales effectiveness
- Recruitment efficiency
- Middle- /back-office optimisation

CC (cont'd): The client portal, Mon Agence en Ligne, has also improved sales effectiveness, allowing customers to place orders directly, 24/7. For certain tasks it is clear that associates and clients prefer to self-serve, given the option, much like in consumer banking. The branches become a location for higher-value interactions.

Another key focus is digitalising our middle- and back-office. Before GT we used to process more than 30 million hard copies of documents every year. Today we have digitised more than two thirds of these.

Digital initiatives also include: AI chatbots, to perform initial candidate screening; workforce scheduling tools that improve fill rates and increase efficiency; and data analytics to improve our sales processes.

AF: In the UK, we were an early adopter of GrowTogether. In fact, some of the elements, like the process optimisation programme, were first developed here. The two most impactful initiatives for our business have been PERFORM and InFO (called CONNECT in the UK). On PERFORM, the process is deployed to almost 100% of our colleagues. We are now working on how to take it to the next level by digitalising the daily PERFORM rituals (e.g. activity tracking and resource planning) and integrating them with the front-office system. As well as improving the impact of PERFORM itself, it also increases InFO usage and adoption, by encouraging real-time activity logging and the creation of a data-driven culture. That also means my management information is more accurate and timely, which helps us steer the business more effectively.

The second major driver of improved performance in the UK is the integrated front-office platform. It has significantly improved our candidate interaction and consultant productivity. For example, it allows us to carry out automated yet personalised outreach at scale

which was not possible in the past. It has also dramatically improved candidate search and match. In the past candidates risked ending up in branch or brand silos, but with InFO they have access to opportunities across the entire UK business. Integration with our marketing automation tools further enhances the impact and we are adding modules that automate certain workflows, like candidate background checks, references, and credit checks.

The combined impact of the various GrowTogether initiatives helped drive a 6% increase in gross profit per FTE in the UK general staffing business, despite the challenging market backdrop.

Q. What does the 2020 Transformation agenda look like?

CC: 2020 is the final year of the current GrowTogether plan and the focus is on spreading proven concepts and tools more widely across the Group. We do not need to re-invent to hit the targets; we just need to take things that are already working and do more of them. Of course, we are also laying the foundations for 2021 and beyond.

Specifically for 2020, we have set ourselves another ambitious NPS improvement target and will bring transactional NPS measurement to more countries and businesses.

With PERFORM, we aim to reach close to 100% deployment in Adecco in our ten largest countries, which will mean approximately 20,000 people trained by year end.

AF: On the technology roadmap, we are rolling out the next version of the integrated front-office platform, which is in progress in France, Spain and Japan. Also, we're scaling up the My Adecco candidate app in the US and Germany, and expanding it to new countries. The other key initiative is our back-office transformation, where we are standardising processes and moving to harmonised technology.

GrowTogether Technology

In 2019, we continued to deliver digital tools and IT solutions, empowering our colleagues with the best technology, to deliver more value to our clients and candidates

<p>1</p> <p>Sales effectiveness</p> <p>Reduce cost-to-serve and increase order fill rate</p> <p style="font-size: 2em; font-weight: bold;">28%</p> <p>completed</p> <ul style="list-style-type: none"> Roll-out of our CRM solution in majority of key markets, enhancing sales management and client experience Integrated front-office solution implemented in France, Spain, US, UK, Japan enabling faster product and services deployment Analytics with predictive insights to support sales in US, UK, Italy, Australia 	<p>2</p> <p>Recruitment efficiency</p> <p>Find the right candidate, faster</p> <p style="font-size: 2em; font-weight: bold;">31%</p> <p>completed</p> <ul style="list-style-type: none"> Acceleration in deployment of candidate products. Mobile App live in France, Germany, US and portal live in Nordics, Spain, Italy, Netherlands Automated search and match and onsite workforce planning tools AI bots further roll-out, from US to Europe, automating candidate screening 	<p>3</p> <p>Middle- & Back-office (MO/BO) optimisation</p> <p>Industrialising business support activities</p> <p style="font-size: 2em; font-weight: bold;">40%</p> <p>completed</p> <ul style="list-style-type: none"> Digital timesheet capture, live in most countries Digital timesheet interpretation, continued deployment in Europe, US and Japan Paperless process (e.g. e-filing, e-signature) embedded in key markets, incl. France, Spain, and Japan, with initiatives now launched in all countries globally
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Candidate Mobile App (My Adecco)

Digital tools to improve candidate experience and efficiency



- Seamless management of assignments, removing the majority of manual processes and paperwork related to timesheets, payroll and legal documentation
- Improves associate engagement and reduces administration in branches
- First launched in France, we have now created a global product that is scaling fast to other markets (e.g. US and Germany), with further roll-out in 2020
- In France, 'Adecco & Moi' has reached more than 1 million downloads and 250k monthly active users

Integrated Front-Office (InFO)

New front-office platform simplifies work processes and centralises data

	Old	InFO	Benefits
1 Sales effectiveness	Multiple outdated legacy systems	Single salesforce-based CRM	<ul style="list-style-type: none"> Focus on client-facing activities Improved sales thanks to integration of sales analytics products
2 Recruiting efficiency	Disjoined candidate databases	Full candidate visibility, powerful search and match tools	<ul style="list-style-type: none"> 20% increase in time allocated to recruitment activities New products supporting search, match, planning and pooling activities
3 MO/BO optimisation	Lots of manual processes and administration	Administrative tasks reduced and moved out of branches	<ul style="list-style-type: none"> Accelerator for paperless initiatives (e-filing, e-signature) Saving 30% of branch time previously focused on admin and payroll activities

Q. GrowTogether comes to an end this year. Will there be a GT 2.0?

AF: GrowTogether has a momentum that will certainly continue. For example, the PERFORM roll-out is not just a one-time benefit; it creates a culture of continuous improvement. So even when we have trained the whole organisation, the benefits will continue. We are already turning the PERFORM lens on our clients' operations too, to bring further value and insights in terms of their human capital management.

CC: From a technology perspective the opportunities ahead are also very interesting. While the most tangible results so far have been related to productivity and efficiency, we have also established a platform onto which we can build more exciting and differentiating things. Ultimately, we want to leverage technology and data to build closer and longer-term relationships with our candidates, associates and clients. Tech should be an enabler of stronger human relationships.

AF: I think we will go places on the technology side that the local competitors cannot follow. Being able to invest in technology globally, at scale, and then deploy locally is a key advantage. Being able to leverage expansive data to drive customer insights will also be an advantage.

CC: That's true. In the past we were less able to leverage our scale because the Group was decentralised, with every country adopting its own IT strategy and many processes being manual and offline. With GrowTogether we have made a lot of progress in terms of ensuring global consistency and digitalisation.

The way we are building digital products is also very different from the past. It has in mind the need to be agile. For example, we are adopting a single code-base approach when developing things like InFO and the candidate app, to avoid local duplication and to allow for a faster rhythm of updates and releases.

AF: So in conclusion, GrowTogether is really a journey where we are coming to the end of the first phase but with plenty of opportunity to come. We can do a lot more in terms of both operational efficiency and customer value. It's very exciting!



Innovate

With the final pillar of our strategy, Innovate, we are focused on leveraging and expanding the Group's ecosystem of brands and solutions, to bring greater value to clients and candidates. We are driving synergies and collaboration between existing brands and building new businesses in attractive adjacent markets, to capture opportunities in high-growth, high-margin segments. We intend to be the innovation leader in our industry, disrupting it from the inside by bringing together the best of HR solutions with the best of technology.

CHARANDEEP CHHABRA

Charandeep is global head of General Assembly's enterprise business, a role he has held since 2019. He joined the Adecco Group in 2008 as a consultant at Modis, in Australia, later being promoted to become General Manager for sales, digital solutions and innovation. In 2017, Charandeep moved to New York in a dual role as global industry lead for engineering and technology, and global head of managed services and solutions.

SARAH DOLLANDER

Sarah is the Managing Director in the Southern Region, US for LHH. She has nearly 20 years of experience with LHH, holding a variety of roles in operations, sales, client relationship management and most recently in regional leadership. Sarah's current focus is leading her regional team at LHH following her promotion into this role in August 2019. She has worked closely with General Assembly on the development of innovative joint solutions.

Q. How did General Assembly perform in its first full year as part of the Adecco Group?

Charandeep Chhabra (CC): GA had a very good year, both in terms of financial performance and in terms of the integration within the Adecco Group. We achieved strong double-digit revenue growth and good profitability across all of our campuses. Investments in content development and growth meant that we remained loss-making for the full year, but the rate of losses improved thanks to the strong growth.

One of our areas of focus in 2019 was addressing affordability challenges for students in our consumer business. We were finding that while the payback for graduates of our programmes was clear, with more than 90% of grads finding a job in their chosen field and a pay increase within six months, many potential students could not afford the upfront enrolment fees. In response, we developed an Income Share Agreement (ISA) scheme with a financial partner that allows qualifying students to take our immersive courses with no upfront cost, and only repay the tuition fees when they have found a well-paid job. Uptake has been strong, allowing many talented individuals to follow their dreams of getting into software engineering. During the year, we also increased our footprint, opening nine new locations in the US. And we innovated with new models to expand our reach to areas where a traditional campus would not be appropriate, with the launch of micro-campuses and growth in our remote immersive offerings.

In terms of integration with the Adecco Group, we also made great progress. At the time of the acquisition, we said we believed there was an opportunity to leverage GA's capabilities to better serve customers across other Group brands, and we are now proving that to be the case. Collaboration with LHH really stepped up, which we will talk about with Sarah in a moment. We also piloted the Modis Academy, in which we are putting Modis candidates through GA full-time and part-time software engineering courses before placing them with clients. This 'hire-train-deploy' model is similar to what the Adecco Group already does in Modis VSN in Japan and is a real differentiator with both candidates, who get to increase their employability, and clients, who gain access to in-demand talent.

Q. How did the collaboration between General Assembly and LHH begin?

Sarah Dollander (SD): As Charandeep mentioned, right from the beginning we recognised there was a strong complementarity between LHH and GA, and potential to create truly innovative solutions to address the urgent needs of many of the Group's clients. Most companies face a need to adapt to rapidly changing skills requirements and digital disruption. In the past, they would 'fire and re-hire'; lay people off and bring in new employees with the required skills. However, today the pace of change has accelerated and there are shortages of talent in many critical digital fields.

The old model simply doesn't work. New approaches are required to avoid spiralling financial and societal costs. That's where our combined 'workforce transformation' offerings come in. It means, as one of our clients put it, moving from a replaceable workforce to a renewable workforce concept.

Soon after GA joined the Group, we started work on designing and developing the integrated offering, establishing a commercial model and go-to-market strategy.

CC: There are three tiers to the combined offering. Tier 1 offers GA's online foundation training in digital literacy and is included in the LHH Active Placement redeployment portal. Tier 2 allows a deeper dive into the GA curriculum with broader digital training programmes also included on the LHH online portal. Finally, Tier 3 offers full GA immersive programmes, including pre- and post-assessments for targeted employees, plus assistance with practical pathways for redeploying these newly skilled employees.

SD: By integrating the GA curriculum inside our LHH redeployment offering we have the ability to not only coach people how to find a new job inside their organisation but can also now define specific job-to-job transition paths and offer reskilling and upskilling as part of our workforce transformation solution. We've found that this joint offering is considerably more effective than just sharing customer leads. It elevates the customer conversation to the C-suite and results in much deeper engagement.



Q. How does the solution work and what is unique about the customer value proposition?

SD: Our solution begins with employee and manager career coaching. We train managers to have career discussions with their employees and to discuss options when roles have been made redundant. And we help employees who want to proactively engage in career planning for new jobs inside their company. Employees then have access to a career development centre, which includes in-person assessments and coaching, and a digital centre where they can access career development tools, upskilling courses, and be matched to internal jobs.

From there we have different paths for employees. Some will leave the company and enter LHH Active Placement where we work to find them a new role – our typical outplacement programme. Others can take upskilling courses with the aim of qualifying for new roles. And finally, there is the deep, immersive reskilling path where we get them job-ready for the digital roles that their employer requires now or in the near future.

CC: We have a very client-centric approach. Although we have sketched out what a typical programme might look like, we recognise each client will have a slightly different need. Our teams follow a design-thinking approach to tailor the solution to each client's circumstances and requirements.

What is unique is that we can bring together the multiple capabilities of the Adecco Group in an end-to-end solution, combining both consulting and execution. We advise the client on their current and future workforce needs, assess employee aptitude, provide coaching and training, and also match employees to roles both inside and outside the firm. The result is better outcomes for both companies and their employees, at considerably lower financial cost.

SD: The Adecco Group is the only company that can offer this kind of holistic solution. For clients it means dealing with one team, with one contract, and with the quality assurance that comes from working with the leader in the field.

Q. What opportunities are there to collaborate between GA and other brands?

CC: I think we are still only scratching the surface in terms of collaboration. As demographics and technological change drive increasing skills shortages and a need to upskill and reskill millions of workers, the Adecco Group will have an important role to play. It's likely that recruitment and education begin to converge in certain areas where talent scarcity is most acute. Increasingly, we may need to create the talent, not just match individuals with opportunities, and GA will be a key enabler of that. So, the Modis Academy and similar concepts will be important. We've also seen that interest in the GA value proposition has been strong from other brands too. For example, during the second half of 2019,

we ran a pop-up micro-campus in Milan in collaboration with the Group's Italian training business Mylia, in response to demand from clients. And of course we are upskilling the Adecco Group team too, to build digital capabilities internally.

SD: There is a huge amount of potential for collaboration across all of the Group's brands, not just with GA. The complexity of workforce organisation continues to increase and that means the opportunities to drive synergies between the brands will rise. The ecosystem concept that we are embedding is about encouraging our salespeople to bring together multiple brands to deliver more sophisticated solutions for our clients and candidates. We can deliver solutions that span the entire HR landscape, which is a real differentiator.

Fuelling workforce transformation

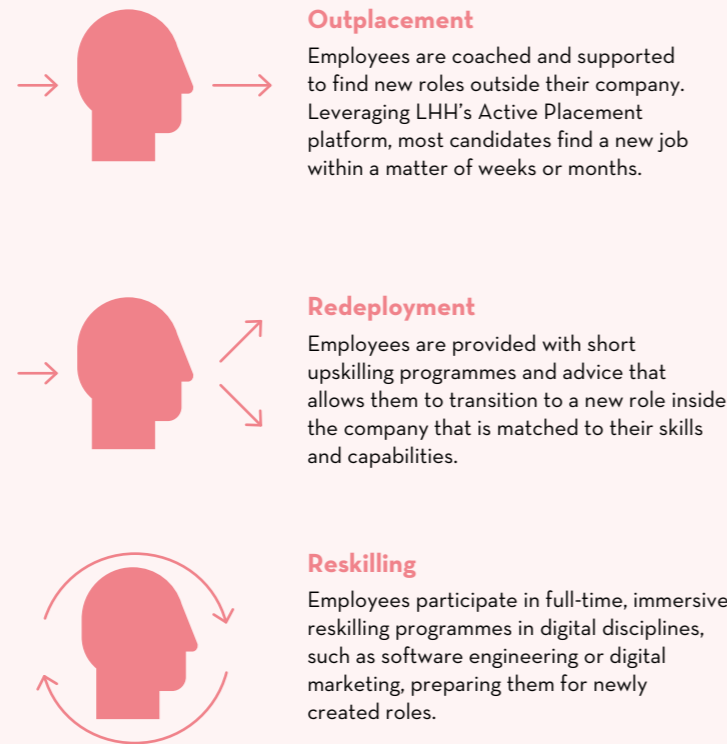
A unique and innovative employee redeployment offering from LHH and General Assembly



LHH, the world's leading career transition and talent development company, and General Assembly, a leader in upskilling and reskilling in high-demand digital skills, have combined forces to create a unique workforce transformation solution for Adecco Group customers.

Integrating the GA curriculum and training programmes into the LHH re-deployment offering has created a compelling alternative to traditional outplacement for clients. Employers are able to reduce the number of workers outplaced by leveraging a combination of short up-skilling and intensive re-skilling solutions, to keep talented employees within the company and fill current and future talent needs.

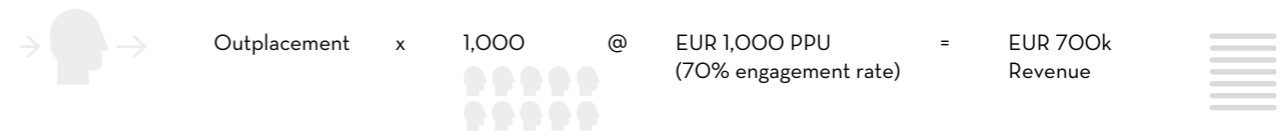
The outcome is reduced costs and access to in-demand talent for our clients, and improved outcomes and employability for their employees. This joint offering has resonated with Adecco Group clients, many of whom are facing the need to transform their workforces in the face of rapid technological change.



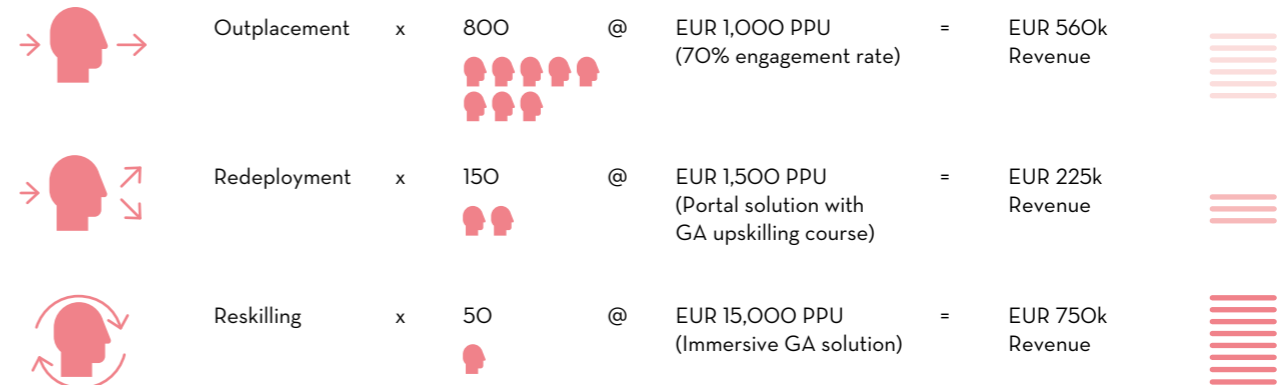
CASE STUDY

1,000 employee reduction announcement

Traditional LHH Solution



New LHH/GA Redeployment and Reskilling Solution



Client benefit

