

Netting Fundamentals to Multilateral Success

A Conversation with Adecco Group

GTreasury Netting, the World Leader in Intercompany Netting



Over 30 Years of Netting Expertise



Clients: More than 200 Worldwide



Countries Serviced: 187



Business Units Included: 25,900



ABB

since 1993



since 2004



since 2010

ALSTOM

since 2000



since 1992



The Chemical Company

since 2005



since 2006

**DIEBOLD
NIXDORF**

Since 2002



Edwards

Since 2000

INTERNATIONAL PAPER

since 2002



**MOTOROLA
SOLUTIONS**

since 2015



since 2001

STIHL

since 1998

TRW

since 1999



since 2008

Key Features



SaaS solution for Netting, Reconciliation, and Vendor Payments



Standalone, easily interfaces with all major ERPs



Quick implementation, plug-and-play



Flexible currency management



Strict security standards



Integrated report writer, multiple formats



What is Multilateral Netting?

Arrangement amongst subsidiaries in a Corporate Group to settle invoices via a clearing house (the Netting Center)

- The Netting Center converts invoice flows to the participant's Home Currency
- Participants Settle/Receive in their Home Currency
- Netting Center Centralizes all the FX Risk

What are the Advantages of Netting?

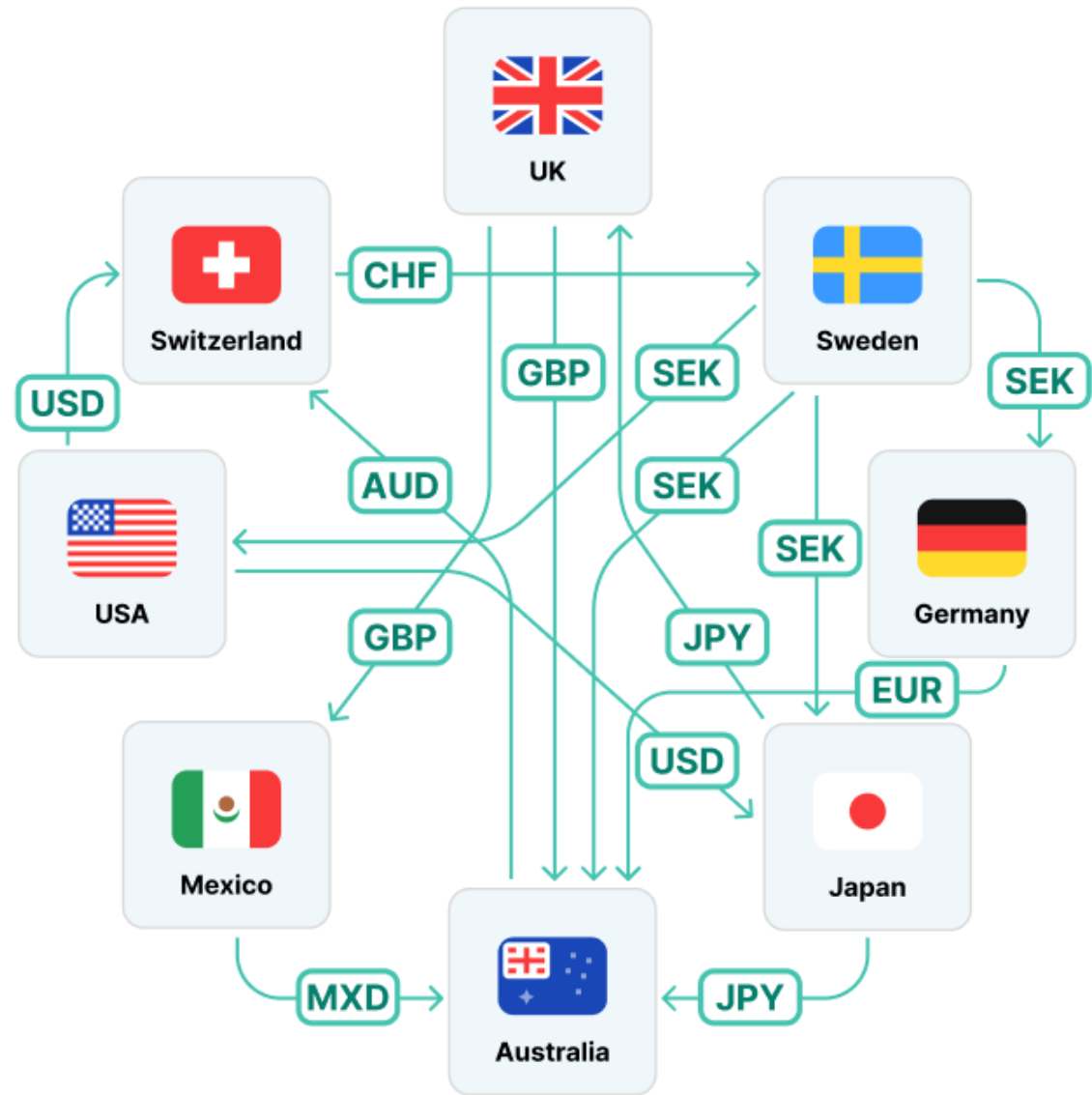
- ✓ Simplified and Uniform Settlement Procedures
- ✓ Improved Payment and Dispute Settlement
- ✓ Cashflow Visibility
- ✓ Reduced Transactions Costs
- ✓ Reduced FX Costs

ROI: The system typically pays for itself in 2-3 months



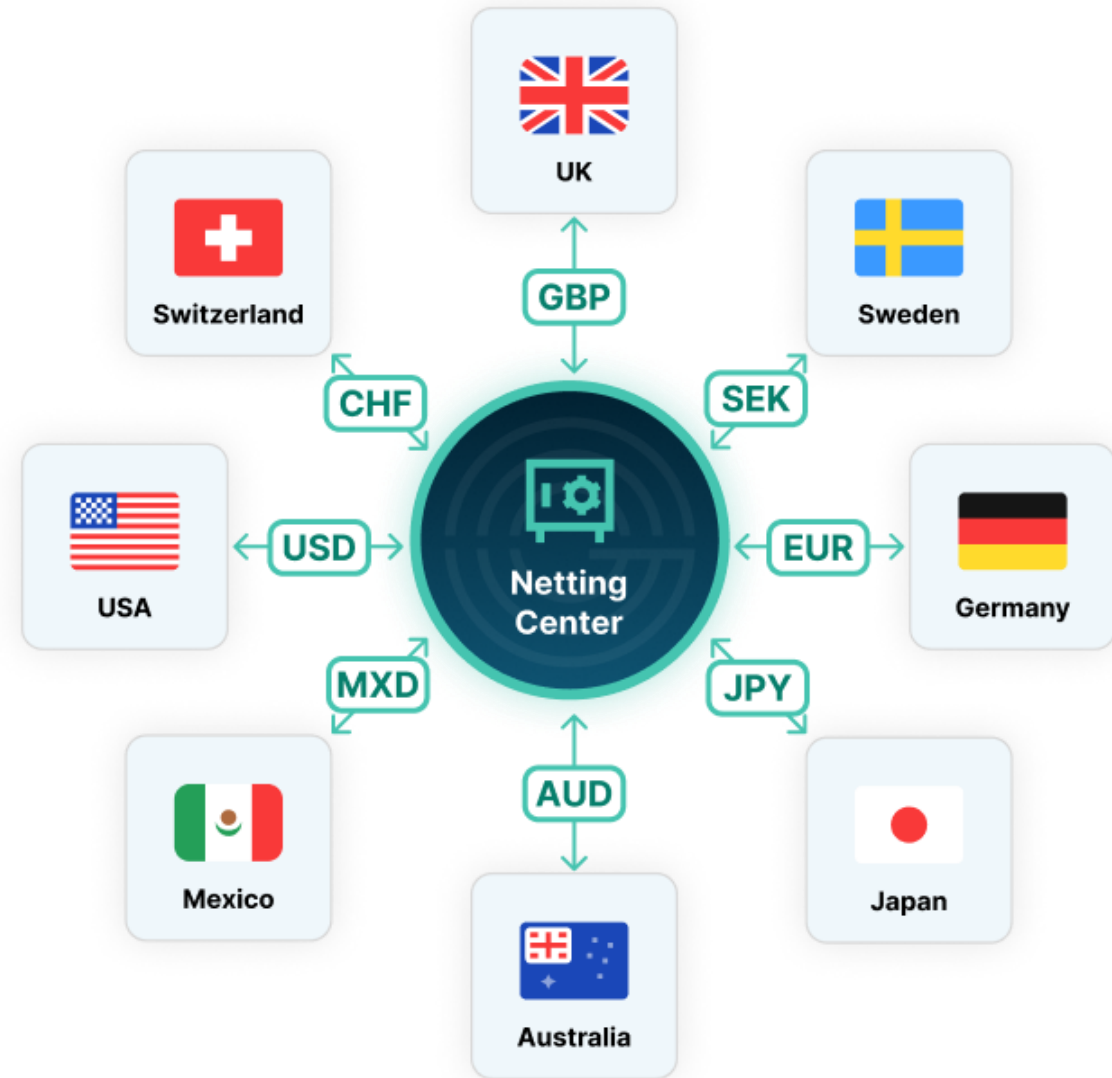
Without Intercompany Netting

- ✗ Every entity handles its own AR and AP between the other entities.
- ✗ Subsidiaries pay multiple transaction fees.
- ✗ Individual entities convert Home Currency to multiple other currencies to make payments.
- ✗ Accounting and auditing nightmare.

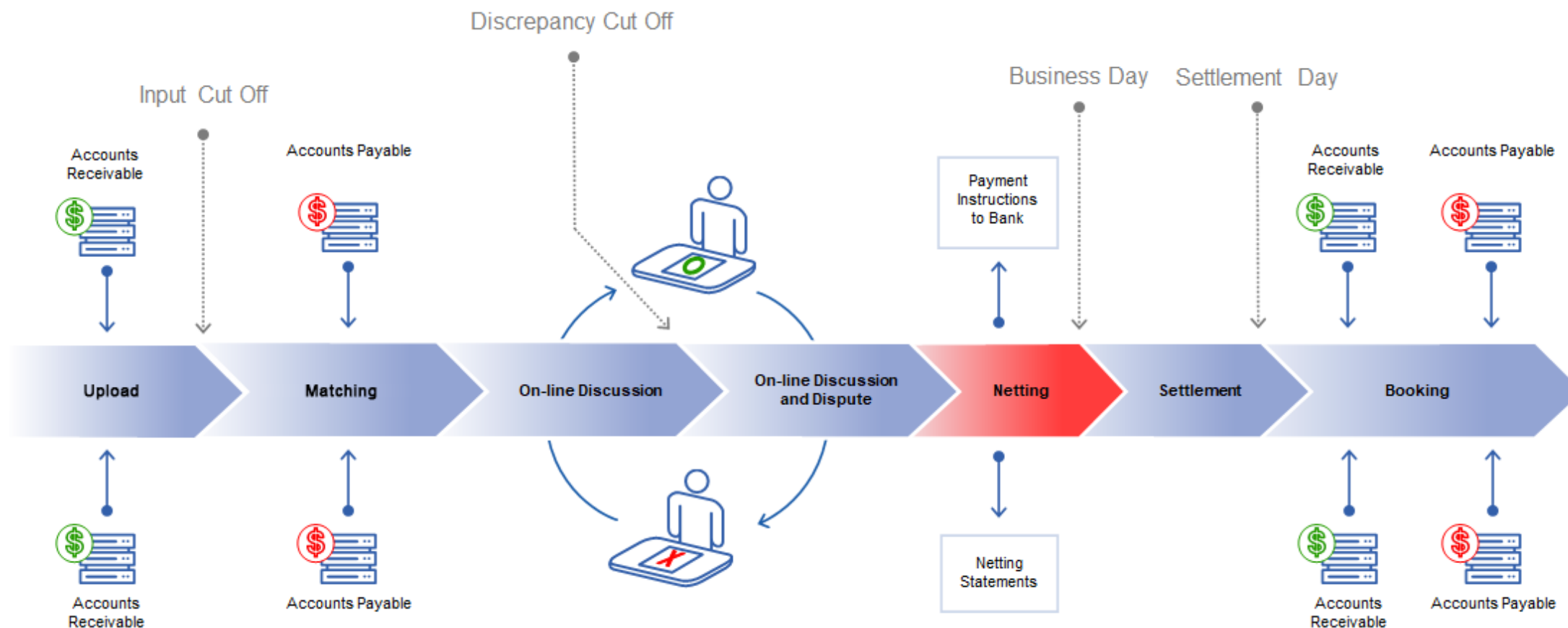


With GTreasury Intercompany Netting

- ✓ Single payments are made from each entity to the payment/netting center.
- ✓ The number of cross-border money transfers and related costs are reduced.
- ✓ Reconciliation activities between subsidiaries are streamlined.
- ✓ Cross-border and cross-company payment procedures are standardized and scheduled.
- ✓ Bank transactions, debt, and risk are consolidated and shared.



How Does Netting Work?



Benefits of GTreasury Netting

GTreasury Netting provides efficiency, controls, and cost savings.



- Up to **70%** reduction in cross-border payments
- Aggregating FX lowers rates more than what would be available to subsidiaries
- May lower the number of currency accounts needed
- Centralized global FX requirements



- Real-time view of payment needs
- Improves communication between entities for matching or disputing invoices
- Structure and discipline to intercompany payments



- Close faster by simplifying monthly reconciliation process
- Reduces mundane tasks for Payables and Corporate Treasury
- Covers all aspects of netting



- Visibility over future flows allows better management of cash flows and credit lines and feeds into other areas, such as cash flow hedging
- Identifies trends over time to forecast future exposures

Adecco Group

Andrea Ferkova

Who We Are — The Adecco Group

Making the future work for everyone

- **Headquarters:** Zurich, Switzerland
- **Founded:** 1996 (via merger of Adia & Ecco)
- **Global Presence:** Operates in 60+ countries
- **Employees:** ~35,000 company-based FTEs; connects 2 million people to work annually
- **Clients:** >100,000
- **Revenue (2024):** €23.1 billion
- **Publicly Traded:** SIX Swiss Exchange



THE ADECCO GROUP

Our Business:

- Global **Talent and Tech leader**, providing services, including:
 - Flexible placement
 - Permanent placement
 - Career Transition
 - Outsourcing, Consulting and Other Services
 - Training, Up- and Reskilling
- Providing services across **three Global Business Units:**

Adecco

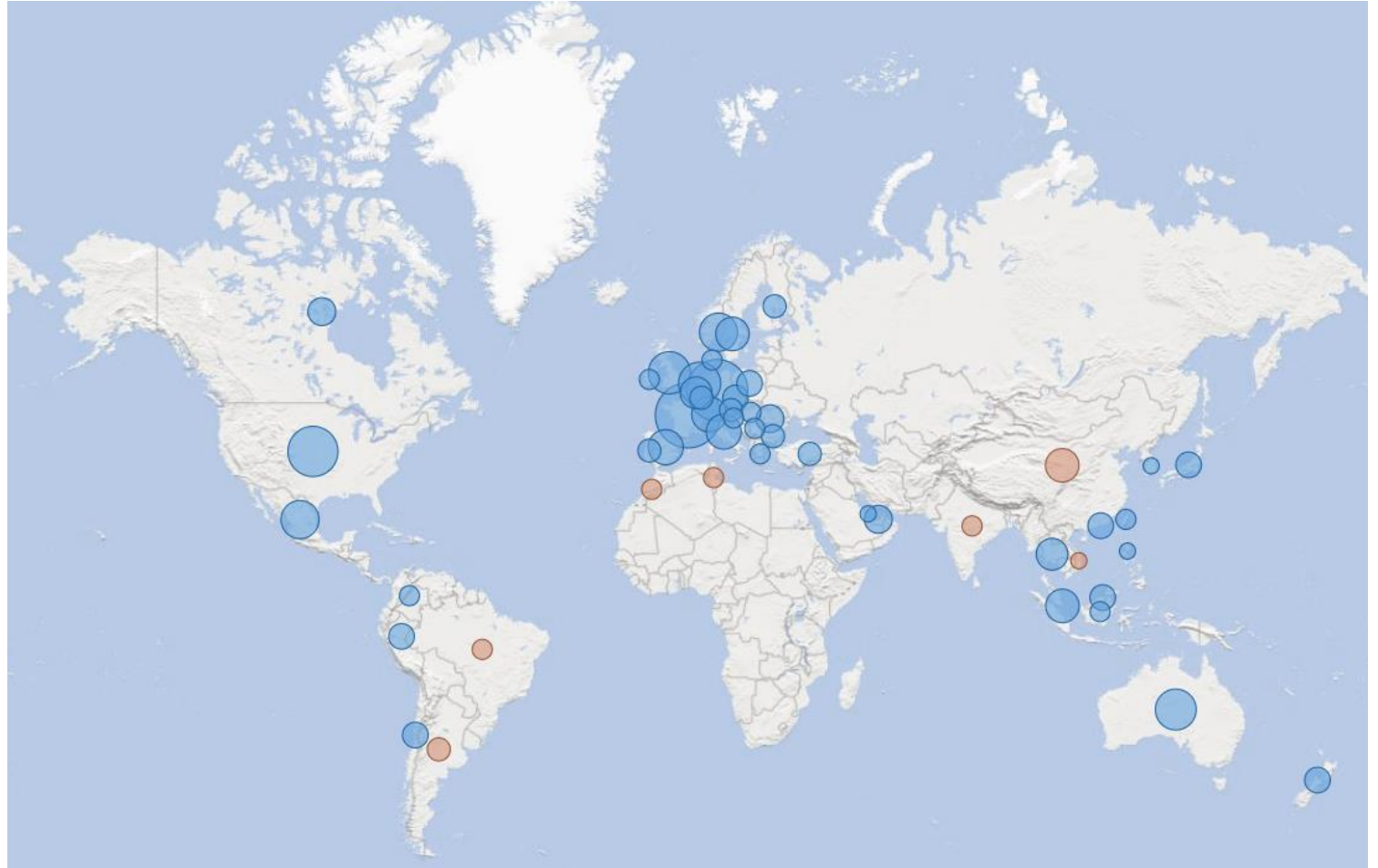
AKKODIS

LHH

- Multi-currency operations with complex **cash & liquidity management** needs
- Focus on **FX risk management, global cash pooling, and working capital optimization**
- Strategic partner to the business, supporting acquisitions and digital transformation

Adecco Group Statistics

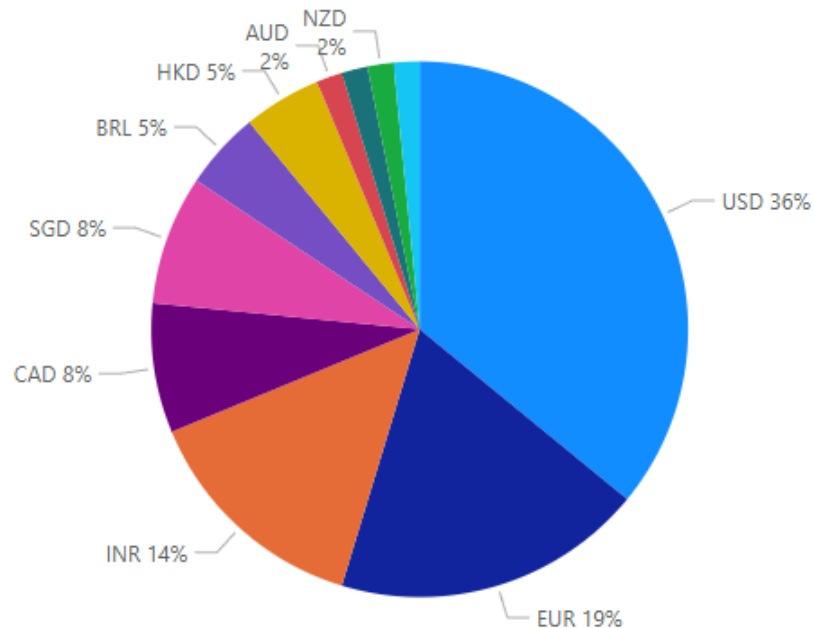
- 6 years of Coprocess
- Netting center in Zurich
- 318 Netting Participants on-boarded in 51 countries
- 304 users using the platform for IC matching & netting
- >16k AR invoices p/m (AR driven netting, settle only matched)
- Matching level range approx. 90%
- 1300 gross flows converted to 250 net payments and 90 payments with netting center p/m
- No late payments, 100% payment & settlement discipline
- IT Support model in place



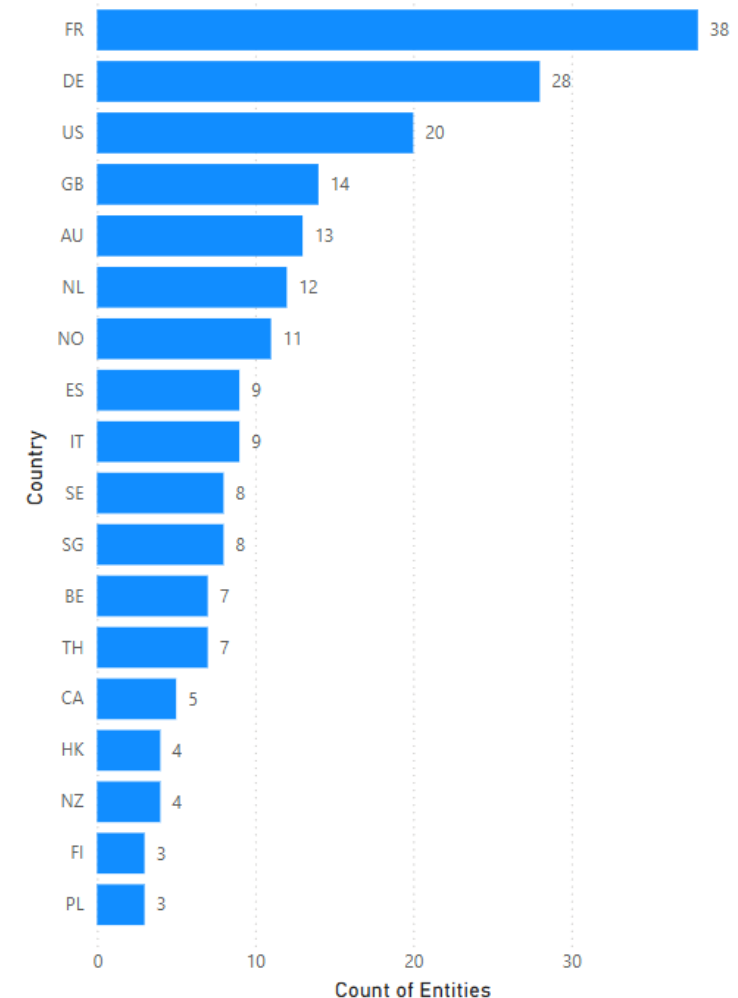
Netting Pools (subnetting)

Example: HK pool

- 4 entities
- 64 matched invoices in 11 currencies
- only 1 domestic net payment to the local pool leader and 1 international payment to netting center

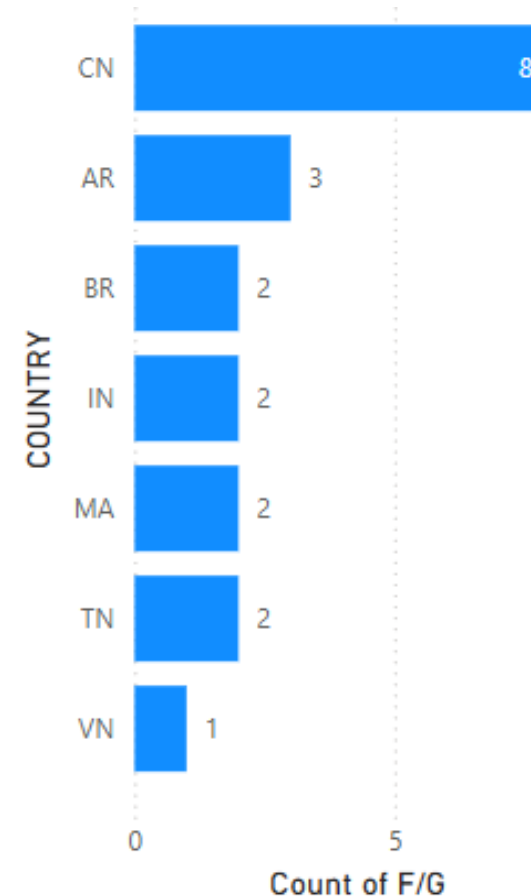


18 netting pools in total

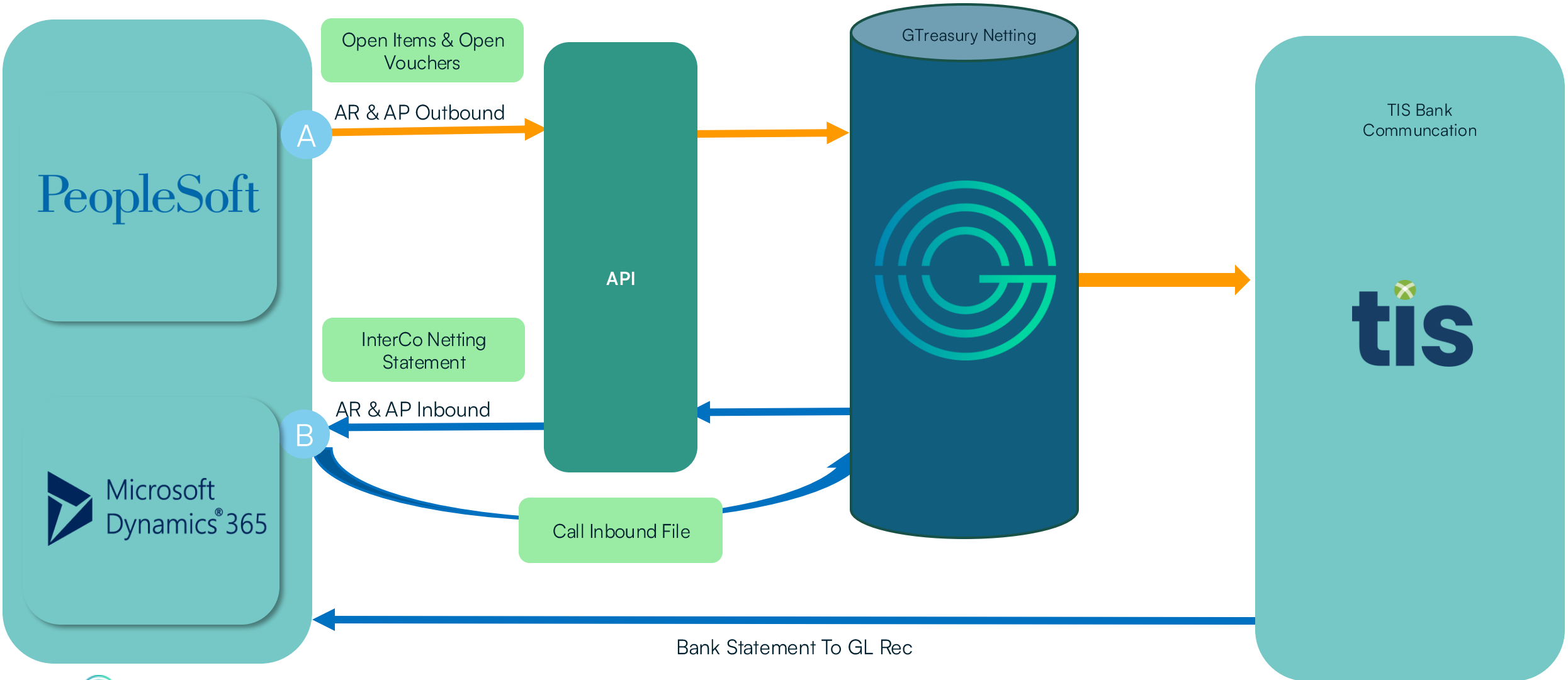
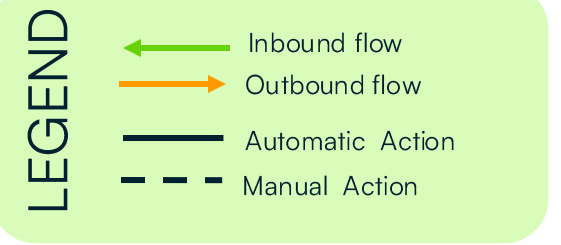


Excluded module

20 excluded participants
invoices settled bilaterally
used by Accounting to import
and reconcile transactions



Interfaces between GTreasury Netting, ERP, TMS



Adecco Group:

ROI and advantages of GTreasury Netting solution:

- Savings of USD 100,000 / mth in FX and bank fees
- Structure and Discipline
- Full visibility on FX exposures, improved cash forecasting and hedging

Building a Business Case

Establish Your Savings: Small Client

We can process your actual AP data to prove results!

| | Currency | No Netting | With Netting | Difference | | |
|----------------------------------|------------|-----------------|-------------------|-----------------|------------------|------------------|
| Cost savings | | | | | | |
| Transaction costs | EUR | 4,819.00 | 1,350.00 | 3,469.00 | | |
| Float savings | | | | | | |
| | Currency | No Netting | With Netting | Difference | | |
| EUR equivalent of flows | EUR | 34,803,872.02 | 24,360,637.22 | 10,443,234.80 | | |
| Netting Centre payments excluded | EUR | 0.00 | 12,180,318.61 | -12,180,318.61 | | |
| Third party flows excluded | EUR | 0.00 | 0.00 | -0.00 | | |
| Total on which float is paid | EUR | 34,803,872.02 | 12,180,318.61 | 22,623,553.41 | | |
| Days of float for payments | | 2.00 | 1.00 | 1.00 | | |
| EUR interest rate | | | | 3.00 | | |
| Total float paid | EUR | 5,721.18 | 1,001.12 | 4,720.06 | | |
| FX savings | | | | | | |
| | Currency | Spread | No Netting | Spread | With Netting | Difference |
| Domestic payments | EUR | no spread | 12,399,137.39 | no spread | 199,868.57 | 12,199,268.81 |
| Less than EUR 10,000.00 | EUR | 1% | 195,856.32 | 0.1% | 0.00 | 195,856.32 |
| Less than EUR 250,000.00 | EUR | 0.8% | 5,429,625.81 | 0.1% | 1,138,379.52 | 4,291,246.29 |
| Less than EUR 5,000,000.00 | EUR | 0.4% | 16,779,252.51 | 0.1% | 5,168,831.11 | 11,610,421.39 |
| More than EUR 5,000,000.00 | EUR | 0.2% | 0.00 | 0.1% | 0.00 | 0.00 |
| Total spread paid | EUR | | 112,512.58 | | 15,307.21 | 97,205.37 |

Estimated total netting savings

105,394.43

Cost of FX for the corporate not running netting

Cost of FX for the corporate running netting = Bank Profit

Savings for corporate per netting



Reduces Costs

Centralized FX

- Reduction in overall number of company settlements
- Ability to reuse FX within group and make larger deals, change ccy pairs
- Save on invoice processing cost

Some examples of Savings

| Corporate | No. of Entities | No. Currencies | No. Invoices per Month | Gross Vol. per Month | Saving per Annum |
|-----------|-----------------|----------------|------------------------|----------------------|------------------|
| Group A | 352 | 24 | 43,000 | \$ 320M | \$ 3,700K |
| Group B | 100 | 22 | 2,700 | \$ 60M | \$ 1,200K |
| Group C | 40 | 13 | 26,000 | \$ 25M | \$ 800K |
| Group D | 12 | 3 | 800 | \$ 6M | \$ 240K |

We estimate the saving from a corporate group between 0.1% and 0.4% of gross volume of intercompany.

Benefits of Netting

- ✓ Transaction costs are reduced because fewer payments are made
- ✓ Concentration of payments and reduction in number of banks used leads to a reduction in float
- ✓ FX is matched
- ✓ Non-matched FX is aggregated to larger volumes at better rates
- ✓ Simplified payment procedures throughout the group
- ✓ Brings Structure and Discipline to Intercompany payments

Savings vary from USD \$200,000 to USD \$20,000,000 per annum

Implementation Summary

Implementation Overview



Key Implementation Features

- Typically aim for 3 months for go-live; New clients can be running in a week if needed.
- Cost of implementation is very low with standard interfaces
- True SaaS; No installation required at Customer Sites

We're here to guide you through the process.



If you have any questions, please
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gtreasury.com