

1st quarter 2016 results

mid-single-digit growth trend continues

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Robert Jan van de Kraats, CFO

Randstad Holding nv
April 26, 2016



disclaimer & definitions

Certain statements in this document concern prognoses about the future financial condition, risks, investment plans and the results of operations of Randstad Holding and its operating companies, as well as certain plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty, since they concern future events and depend on circumstances that will apply then. Many factors may contribute to the actual results and developments differing from the prognoses made in this document. These factors include, but are not limited to, general economic conditions, a shortage on the job market, changes in the demand for personnel (including flexible personnel), achievement of cost savings, changes in the business mix, changes in legislation (particularly in relation to employment, staffing and tax laws), the role of industry regulators, future currency and interest fluctuations, our ability to identify relevant risks and mitigate their impact, the availability of credit on financially acceptable terms, the successful completion of company acquisitions and their subsequent integration, successful disposals of companies, and the rate of technological developments. These prognoses therefore apply only on the date on which this document was compiled. The quarterly results as presented in this press release are unaudited.

EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

organic growth is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications.

diluted EPS is measured before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

agenda

~ performance

~ financial results & outlook

~ Q&A

~ appendices

performance

Q1 2016: *mid-single-digit growth trend continues*

Revenue of € 4,702 million;
organic growth +5.0%;
gross profit up 3.8%

Topline growth of 6% in
Europe, +3% in North
America and +5% in Rest
of the world

Gross margin stable YoY at
18.4%; perm fees up
6.6%, now 11.5% of gross
profit (vs. 11.3% last year)

Underlying EBITA of
€ 168.9 million (+10%
organically); EBITA margin
up 10 bp to 3.6%; Organic
L4Q ICR of 51%

Adjusted net income up
35% to € 123 million; ROIC
at 19.5% (Q1 2015:
14.9%)

DSO improved to 50.8
(from 51.5 in Q1 2015);
leverage ratio of 0.3 (vs.
0.5 last year)

Proffice acquisition
consolidated as of February
4, 2016

L4Q EBITA margin of 4.5%
(+30 bp YoY)

Randstad Award conducted
in 25 countries, surveying
5,000 companies

L4Q: stable mid-single-digit growth

€ million	Q1 '16	Q1 '15	% Org.	L4Q '16	L4Q '15	% Org.
revenue	4,702	4,431	+5%	19,489	17,712	+6%
gross profit	865	815	+4%	3,645	3,277	+6%
<i>gross margin</i>	18.4%	18.4%		18.7%	18.5%	
operating expenses*	697	662	+3%	2,767	2,541	+4%
<i>opex %</i>	14.8%	14.9%		14.2%	14.3%	
EBITA*	169	153	+10%	878	736	+15%
<i>EBITA margin*</i>	3.6%	3.5%		4.5%	4.2%	

- ↪ organic growth/wd over L4Q at +5.9%
- ↪ L4Q gross profit growth at +5.8%
 - gross margin up by 20 bp YoY for L4Q
 - L4Q perm growth at +9%
- ↪ L4Q operating expenses* up 4% organically YoY
- ↪ EBITA* margin over the L4Q up to 4.5%, from 4.2%
 - L4Q organic incremental conversion ratio of 51%

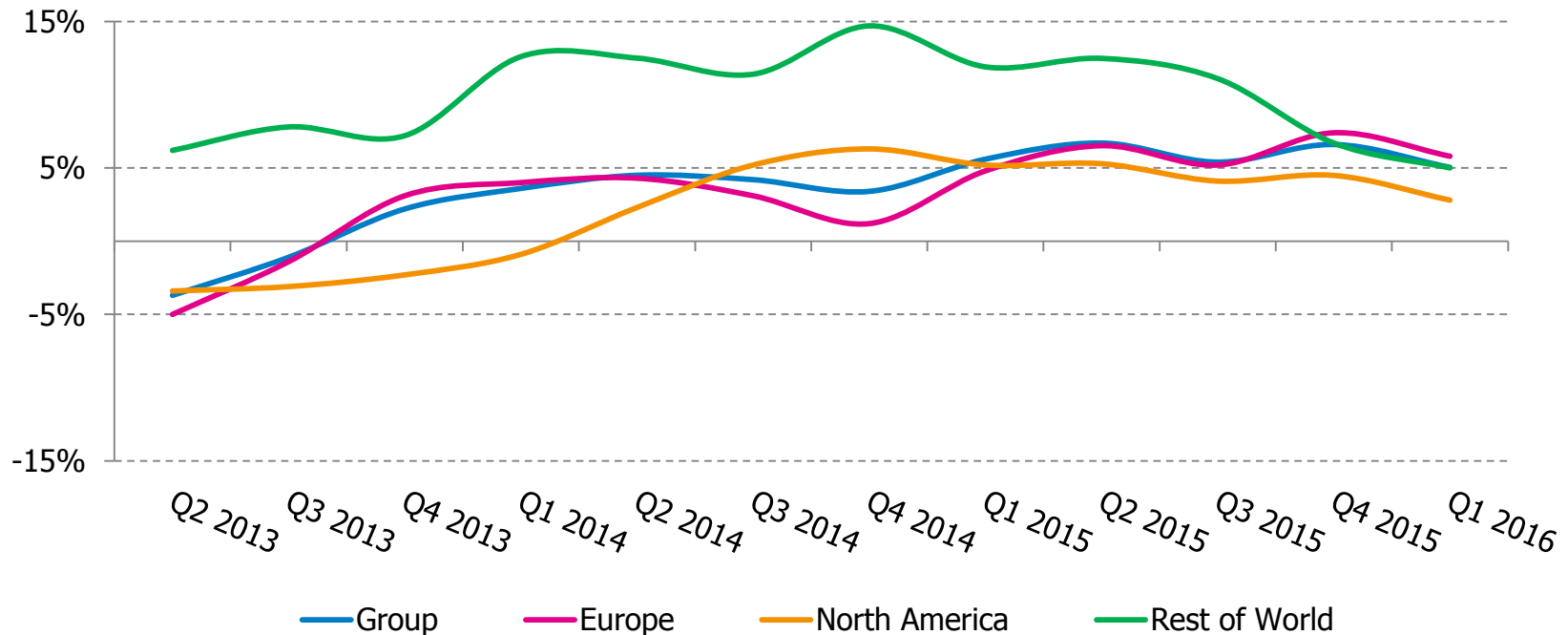
* Before integration costs & one-offs.

April 26, 2016

1st quarter results 2016

regional split converges

YoY Randstad growth development



- Europe grew 6% (vs. +7% in Q4)
- North America up 3% (vs. +4% in Q4)
- Rest of the world increased 5% (vs. +7% in Q4)
- Group grew 5.0% (vs. 6.6% in Q4) on 2.2% tougher comparison base

North America: US Staffing gaining market share

revenue +3% (Q4: +4%)

- slight impact from timing of Easter
- perm up 6% (Q4: +10%)
- GP up 4% (Q4: +9%)

US Staffing & Inhouse, revenue growth +6% (Q4: +7%)

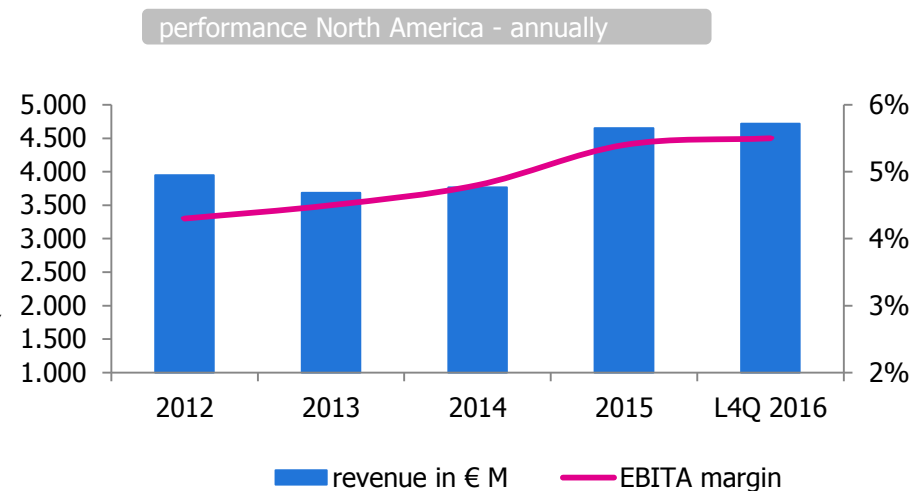
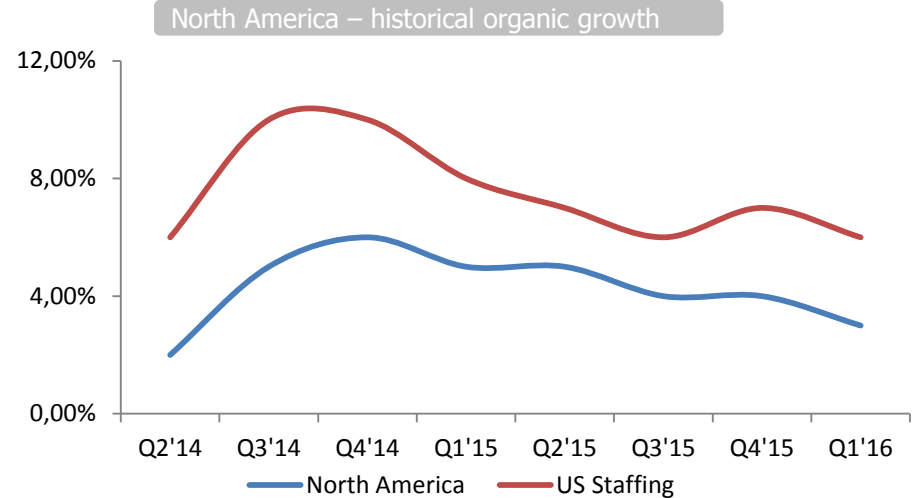
US Professionals, revenue flat YoY

Randstad Sourceright driving NA MSP spend under management up 33%

Canada: revenue flat (Q4: -2%)

- remaining ahead of a challenging market

EBITA margin up to 4.1% from 3.5% LY



the Netherlands: impacted by reduction of payrolling

revenue at +6% (Q4: +9%)

- loss of government payrolling
- price pressure continues

combined Staffing & Inhouse businesses

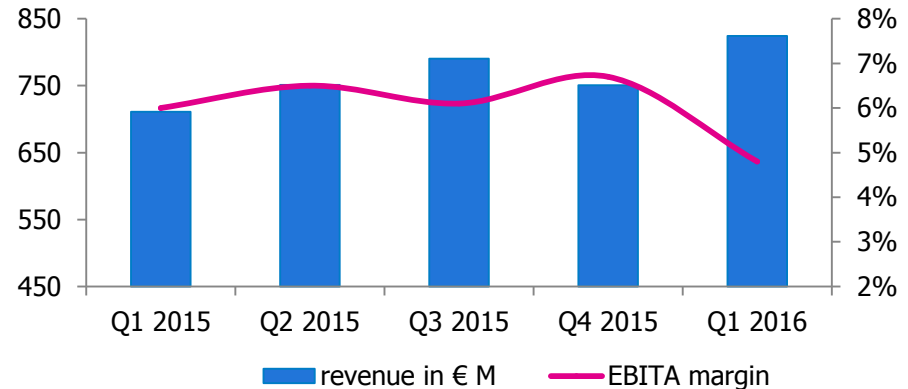
- up 6% YoY (Q4: +7%)
- excluding payroll business Staffing & Inhouse was up 13% YoY

Professionals

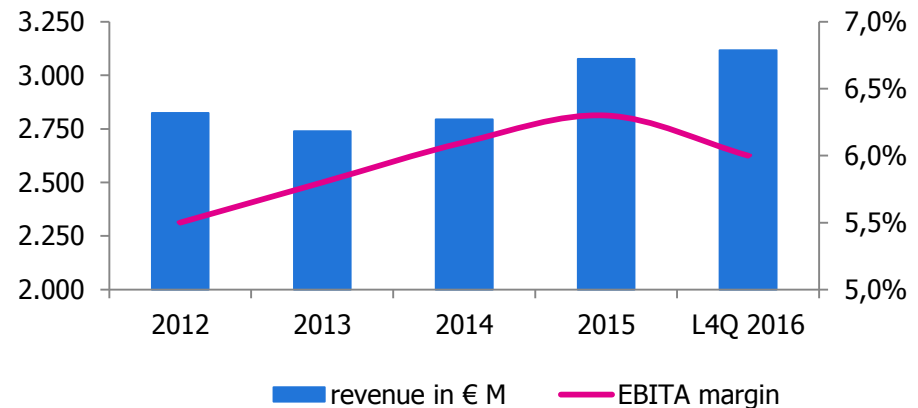
- up 5% (Q4: +21%)
- focus on boosting commercial activity after prior year restructuring

EBITA margin at 4.8% vs. 6.0% LY

performance the Netherlands - quarterly



performance the Netherlands - annually



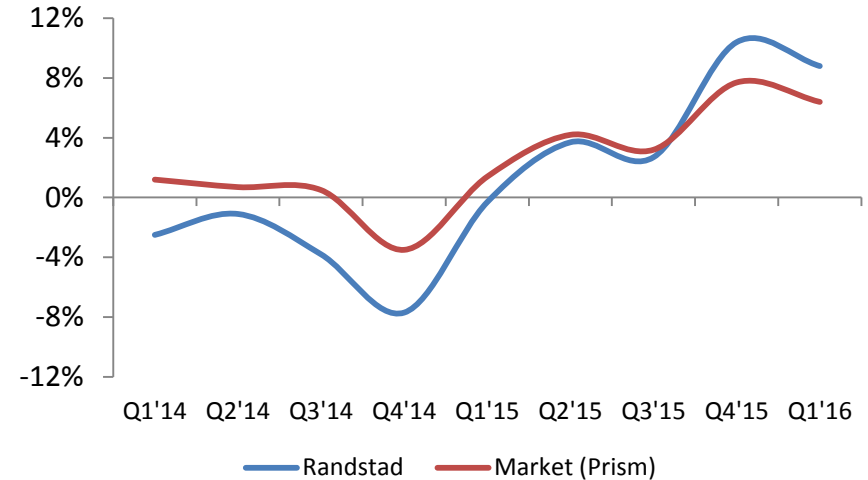
France: growth continues ahead of market

- revenue up 9% YoY (Q4: +10%)
 - combined Staffing & Inhouse at +8% YoY
 - Professionals at +12% vs. Q4: +10%
 - perm grew 27% (Q4: +29%)

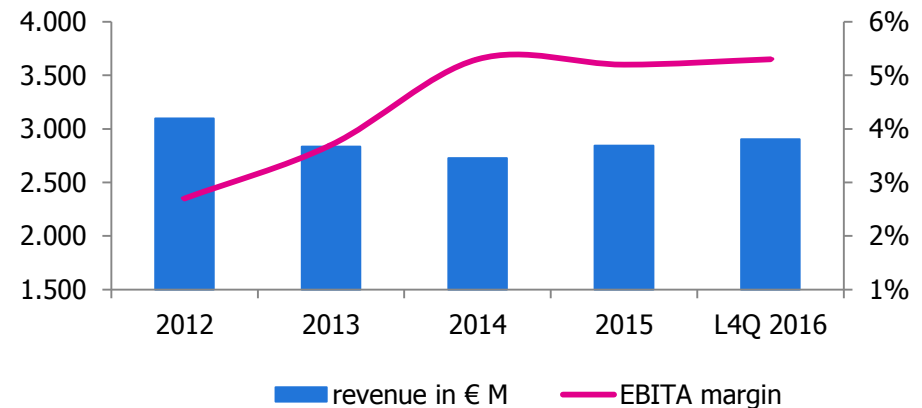
- gross profit +5% YoY (Q4: +6%)
 - impact of new insurance 40 bp

- EBITA margin at 4.7% vs. 4.1% LY
 - supported by the release of an accrual

performance vs. market (Prism)- quarterly



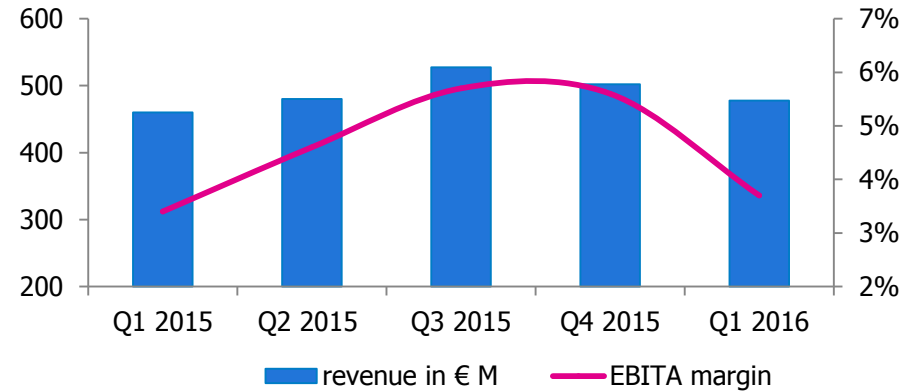
performance France – annually



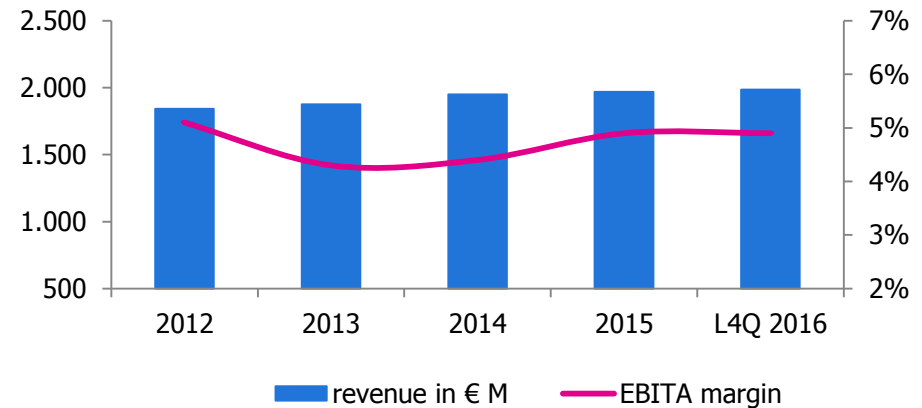
Germany: improving growth & profitability

- revenue growth +5% YoY (Q4: +1%)
- gross profit up 7% (Q4: +13%)
 - SME outgrowing large clients
- EBITA margin at 3.7% vs. 3.4% LY
 - strong operating leverage

performance Germany - quarterly



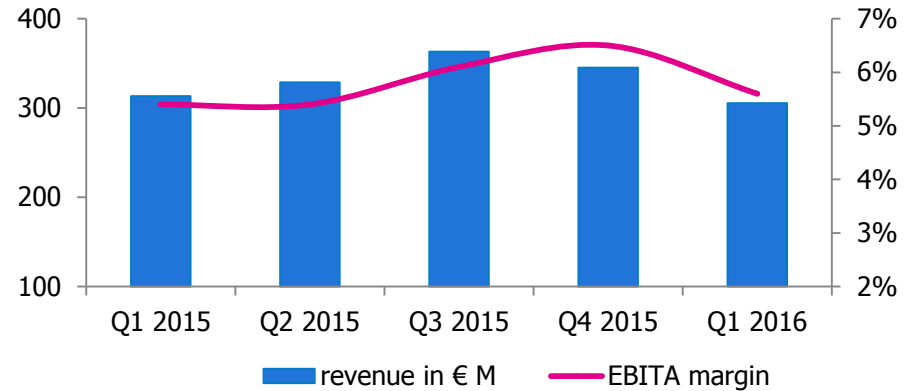
performance Germany - annually



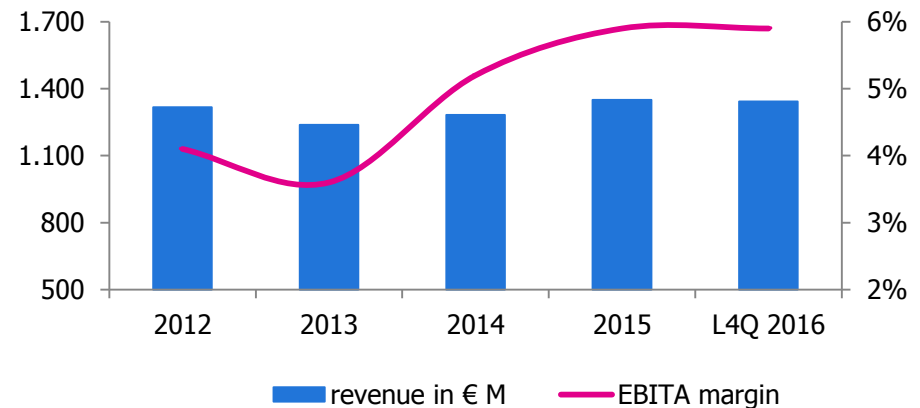
Belgium: improving profitability

- revenue -3% (Q4: +6%)
 - Staffing and Inhouse growth at -2% (Q4: +8%)
 - volumes impacted by loss of some large accounts
- gross profit was flat YoY (Q4: +8%)
 - focus on client profitability
- EBITA margin up to 5.6% vs. 5.4% LY
 - solid operating leverage maintained

performance Belgium - quarterly



performance Belgium - annually



Iberia: improving margins

▸ Iberia revenue up 8% (Q4: +11%)

▸ Spain

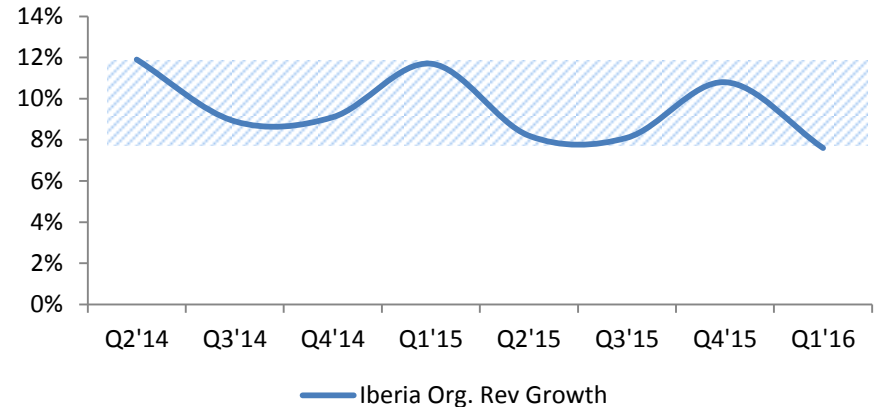
- revenue growth at +9% (Q4: +16%)
- Professionals grew 19% on tough comparables
- perm growth +36% (Q4: +39%)
- investing in growth

▸ Portugal

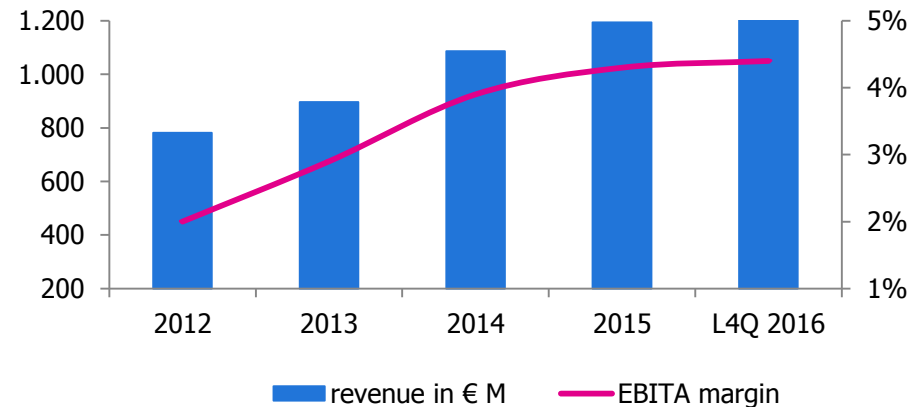
- revenue growth improved to +4% (Q4: +1%)
- gross profit up 10%, continued growth in contact center business

▸ EBITA margin at 3.9% vs. 3.4% LY

Org. revenue performance Iberia - quarterly



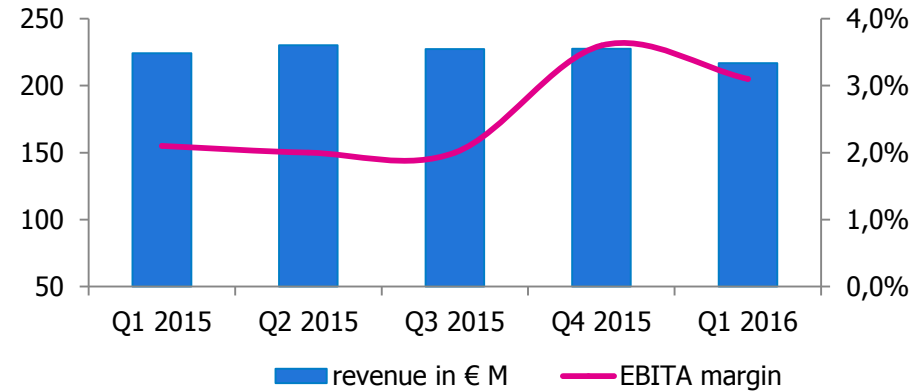
performance Iberia - annually



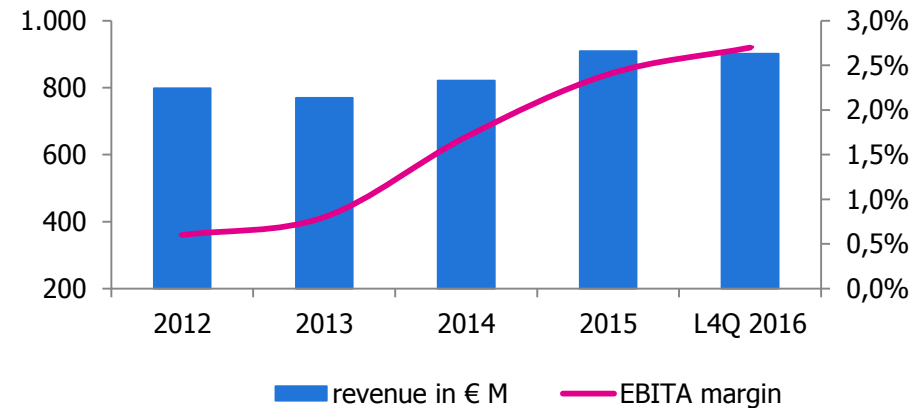
UK: improving profitability

- revenue up 1% YoY (Q4: down 4%)
 - gross profit 2% YoY (Q4: 0%)
 - perm fees up 2% (Q4: +11%)
- EBITA margin up to 3.1% vs. 2.1% LY
 - improving operating leverage

performance UK - quarterly



performance UK - annually



Other European countries: growth continues

overall revenue growth +10% (Q4: +13%)

Italy

- revenue growth at 11% (Q4: 19%)
- focus on specialties and perm (+26%) paying off

Switzerland

- growth at +5% (Q4: 3%)

Poland

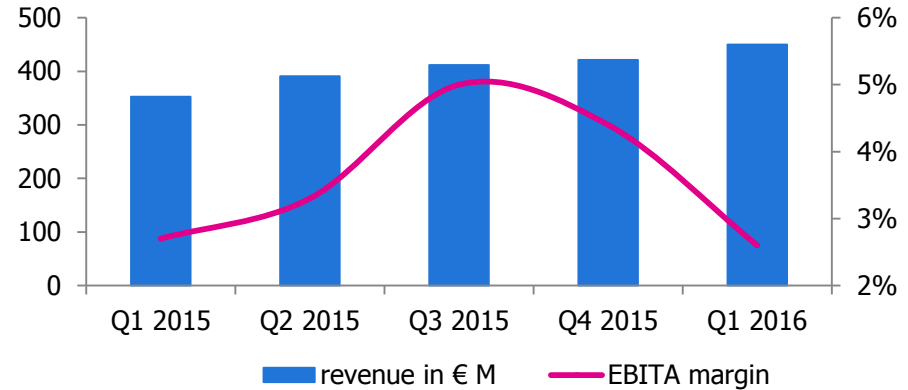
- growth at +11% (Q4: +10%)

Nordics

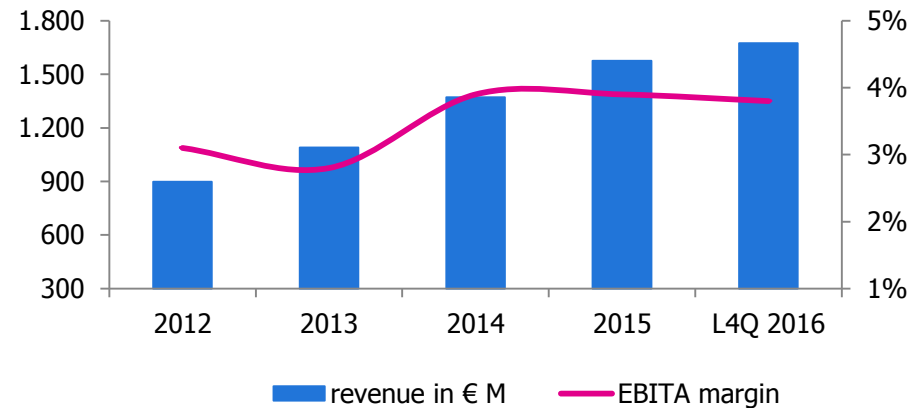
- revenue stable; consolidation of Proffice as of February 4, 2016

EBITA margin at 2.6% vs. 2.7% LY

performance ROE - quarterly



performance ROE - annually



Rest of the world: moderated growth

overall revenue growth +5% (Q4: +7%)

Japan, growth at +3% YoY (Q4: +1%)
- perm grew 38% (Q4: +33%)

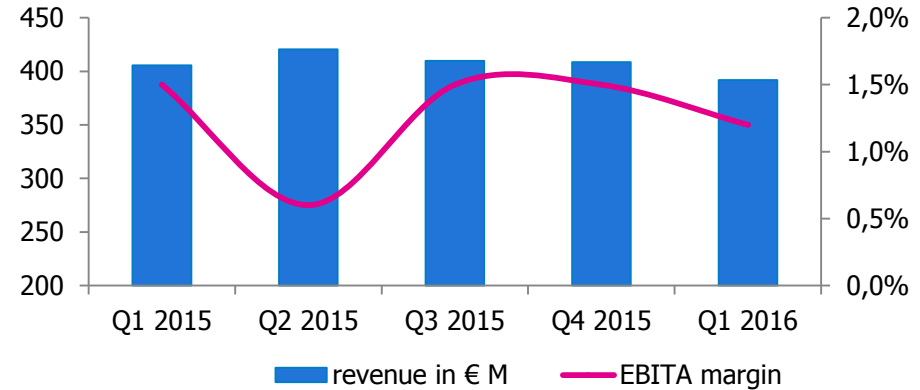
Australia / New Zealand grew 5% (Q4: +5%)
- perm grew 24%

Asia, growth at +5% (Q4: +5%)

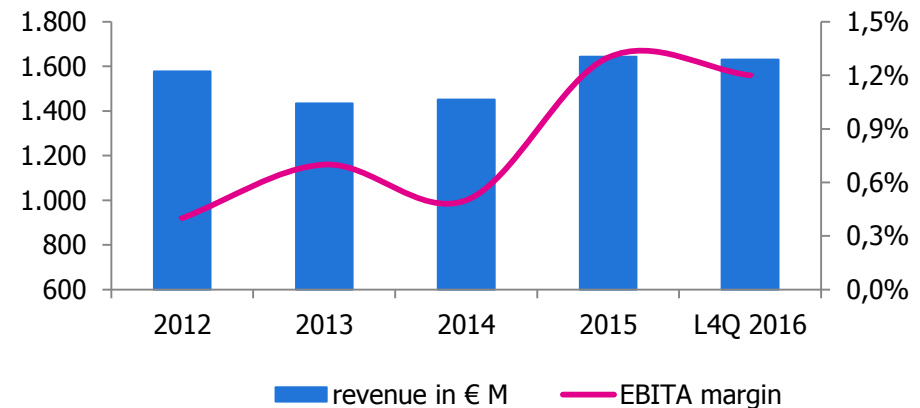
Latin America, up 10% (Q4: +15%)

EBITA margin at 1.2% from 1.5% LY

performance ROW - quarterly



performance ROW - annually



financial results & outlook

income statement Q1 2016

€ million	Q1 '16	Q1 '15	% Org.	L4Q '16	L4Q '15	% Org.
revenue	4,702	4,431	+5%	19,489	17,712	+6%
gross profit	865	815	+4%	3,645	3,277	+6%
<i>gross margin</i>	<i>18.4%</i>	<i>18.4%</i>		<i>18.7%</i>	<i>18.5%</i>	
operating expenses*	697	662	+3%	2,767	2,541	+4%
<i>opex margin</i>	<i>14.8%</i>	<i>14.9%</i>		<i>14.2%</i>	<i>14.3%</i>	
EBITA*	169	153	+10%	878	736	+15%
<i>EBITA margin*</i>	<i>3.6%</i>	<i>3.5%</i>		<i>4.5%</i>	<i>4.2%</i>	
integration costs & one-offs	3	9		24	50	
reported EBITA	166	144		854	686	
amortization & impairment	-/- 30	-/- 40		-/- 118	-/- 150	
net finance costs & associates	+ 5	-/- 22		+ 5	-/- 50	
income before taxes	141	82		741	487	
tax	-/- 38	-/- 22		-/- 180	-/- 142	
net income	103	60		562	345	
<i>adjusted*** net income**</i>	<i>123</i>	<i>91</i>		<i>640</i>	<i>471</i>	
<i>diluted EPS***</i>	<i>0.67</i>	<i>0.50</i>		<i>3.49</i>	<i>2.59</i>	

* Before integration costs and one-offs.

** Attributable to holders of ordinary shares.

*** Before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

Figures stated in table are rounded

performance by revenue category

Staffing in € M	Q1 2016	Q1 2015	*% organic	L4Q 2016	L4Q 2015	*% organic
revenue	2,691	2,570	3%	11,307	10,421	6%
EBITA	97	82	4%	529	429	19%
<i>EBITA margin</i>	<i>3.6%</i>	<i>3.2%</i>		<i>4.7%</i>	<i>4.1%</i>	

- focus on delivery models – central delivery
- withdrawing from low margin/loss making business
- FTE investments in growth markets

Inhouse in € M	Q1 2016	Q1 2015	*% organic	L4Q 2016	L4Q 2015	*% organic
revenue	1,046	944	10%	4,318	3,757	11%
EBITA	45	47	17%	211	199	6%
<i>EBITA margin</i>	<i>4.3%</i>	<i>5.0%</i>		<i>4.9%</i>	<i>5.3%</i>	

- continued transfer of clients from Staffing to ensure right delivery model is offered
- good growth continues across our industrial and logistics clients

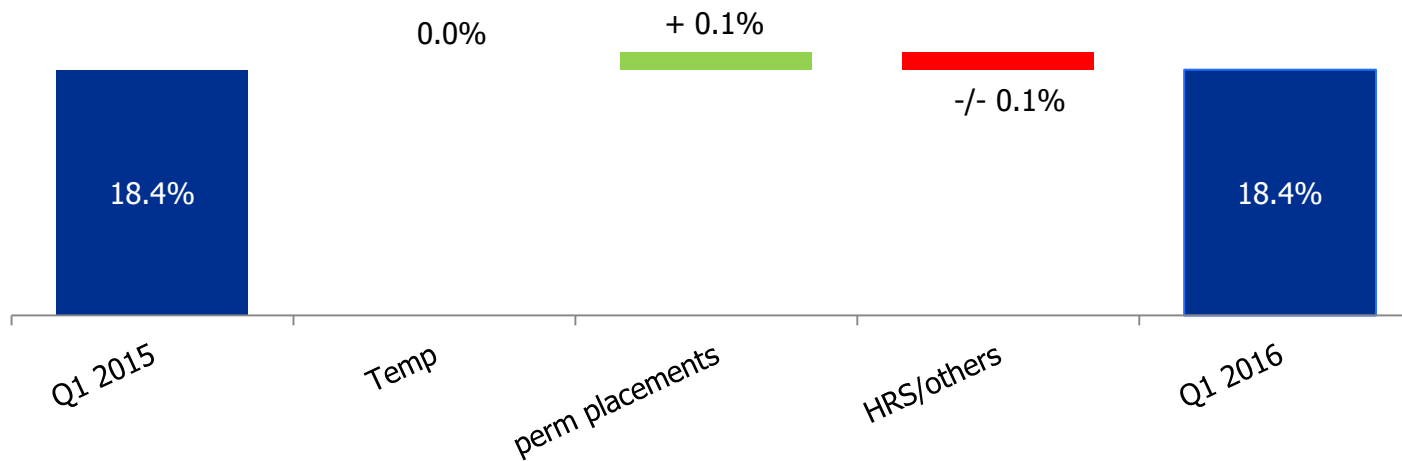
Professionals in € M	Q1 2016	Q1 2015	*% organic	L4Q 2016	L4Q 2015	*% organic
revenue	965	917	4%	3,865	3,534	3%
EBITA	44	39	17%	201	170	8%
<i>EBITA margin</i>	<i>4.5%</i>	<i>4.2%</i>		<i>5.2%</i>	<i>4.8%</i>	

- focus on strong verticals:
 - IT
 - Finance/Accounting
 - Engineering
- Spain Professionals continues to expand its presence

* Organic change in revenue is adjusted for the number of working days.

gross margin bridge

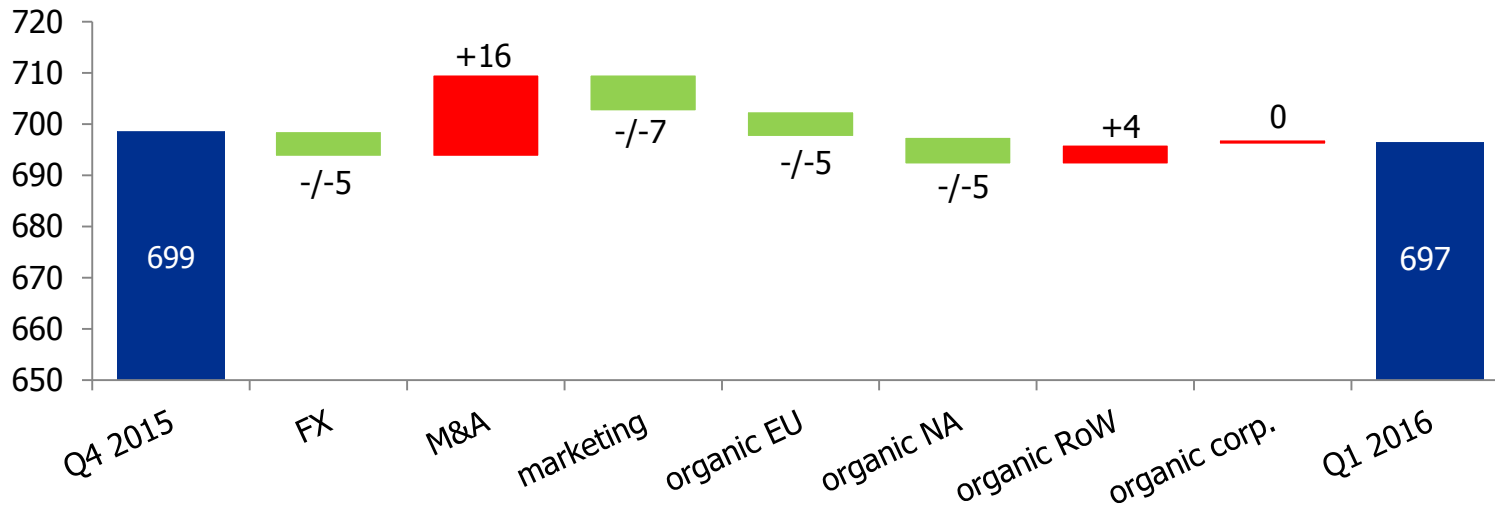
YoY gross margin development



- temp margin flat YoY with favorable mix offsetting ongoing challenging pricing environment
- perm fees grew 7% YoY organically, benefiting margin by 10bp
 - 11.5% of GP (up from 11.3% LY)
- HRS/Others down 10bp, impacted by loss of NL government payrolling and RPO mix

operating expenses bridge

sequential OPEX development in € M



- ☞ OPEX down € 13M organically (sequentially)
- ☞ favorable FX impact € 5M

- ☞ M&A relates to acquisitions of Proffice
- ☞ investing in growth in RoW (Latin America)

net debt at € 296M

leverage ratio at 0.3

€ million	March 31, 2016	March 31, 2015
goodwill and intangible assets***	2,736	2,614
operating working capital	633	590
net tax assets	498	594
other assets and liabilities	13	179
invested capital	3,880	3,977
equity	3,584	3,552
net debt	296	425
invested capital	3,880	3,977
<i>DSO, Days Sales Outstanding**</i>	<i>50.8</i>	<i>51.5</i>
<i>working capital as % of revenue</i>	<i>3.2%</i>	<i>3.3%</i>
<i>leverage ratio</i>	<i>0.3</i>	<i>0.5</i>
<i>return on invested capital*</i>	<i>19.5%</i>	<i>14.9%</i>

* Based on underlying EBITA (last 12 months) less income taxes paid (last 12 months) as a percentage of invested capital.

** DSO, (Days Sales Outstanding), moving average.

***Acquisition-related intangible assets, software now incorporated in other assets and liabilities.

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Q1'16 free cash flow

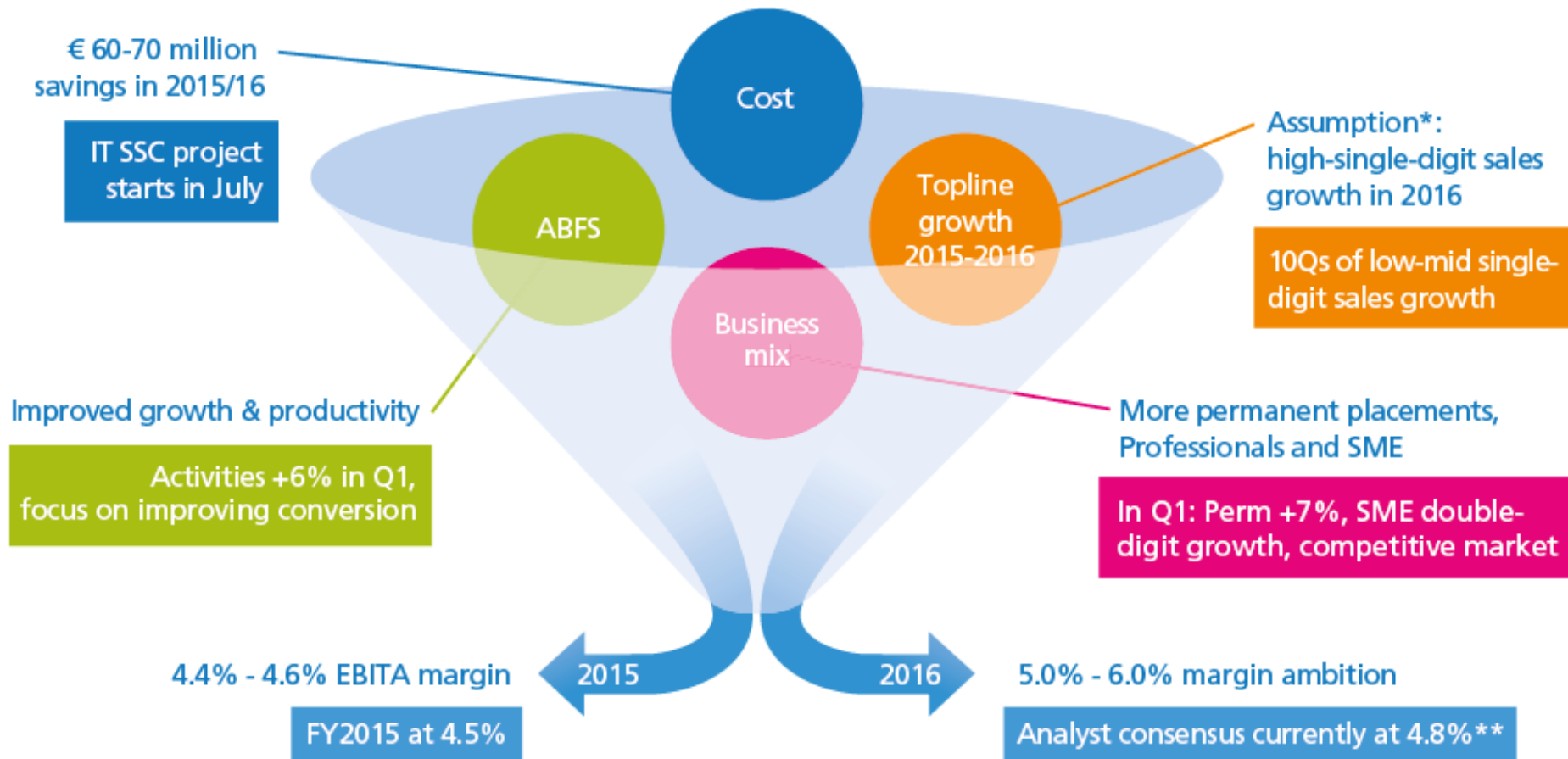
€ million	Q1 '16	Q1 '15	L4Q '16	L4Q '15
EBITDA	182	160	918	752
change in OWC	-/- 28	-/- 59	-/- 91	-/- 28
income taxes	-/- 54	-/- 36	-/- 123	-/- 143
provisions & employee benefit obl.	-/- 7	0	-/- 39	9
net additions in PPE and software	-/- 14	-/- 13	-/- 64	-/- 65
other items	-/- 17	-/- 16	-/- 73	-/- 68
financial receivables	-	-	-/- 4	-/- 7
free cash flow	63	36	525	450
net acquisitions/disposals/buyouts	-/- 176	0	-/- 260	-/- 4
net issue/purchase of ordinary shares	-/- 14	-/- 22	-/- 47	-/- 22
net finance	-/- 1	1	-/- 11	-/- 28
dividend paid	-	-	-/- 94	-/- 68
translation effects and other items	6	-/- 18	15	-/- 39
(increase)/decrease of net debt	-/- 123	-/- 3	129	289

Figures stated in table are rounded

outlook

- ↻ organic revenue growth was 5.0% in Q1; In March, revenue grew by 4.6%
 - volumes in early April indicate a continuation of the March trend.
- ↻ sequentially gross margin is expected to be seasonally higher
- ↻ there is expected to be a small positive working day impact on reported growth in Q2 (circa 2.4%)
 - driven by Easter falling in March this year vs. April last year.
- ↻ for Q2 we expect a moderate seasonal increase in underlying operating expenses sequentially

margin ambition



*assumption as stated at our capital markets day in Nov'15

** www.ir.randstad.com/shareholder-information/analyst-consensus.aspx

Q&A

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compared to 0.5 last year

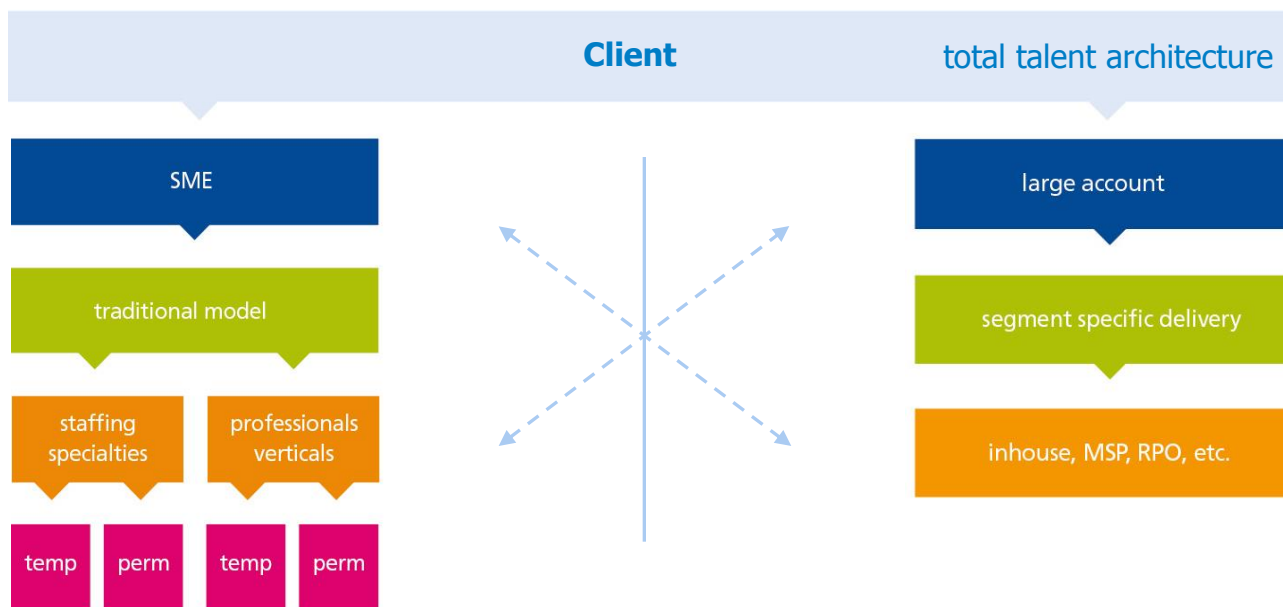
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L4Q EBITA margin of 4.5%
(+30 bp YoY)

appendices

our priorities



Staffing

- ✓ leverage our expertise in specialty Staffing
- ✓ focus on permanent placements
- ✓ SME

Professionals

- ✓ implementing global concept per segment
- ✓ focus on permanent placements
- ✓ SME

Inhouse

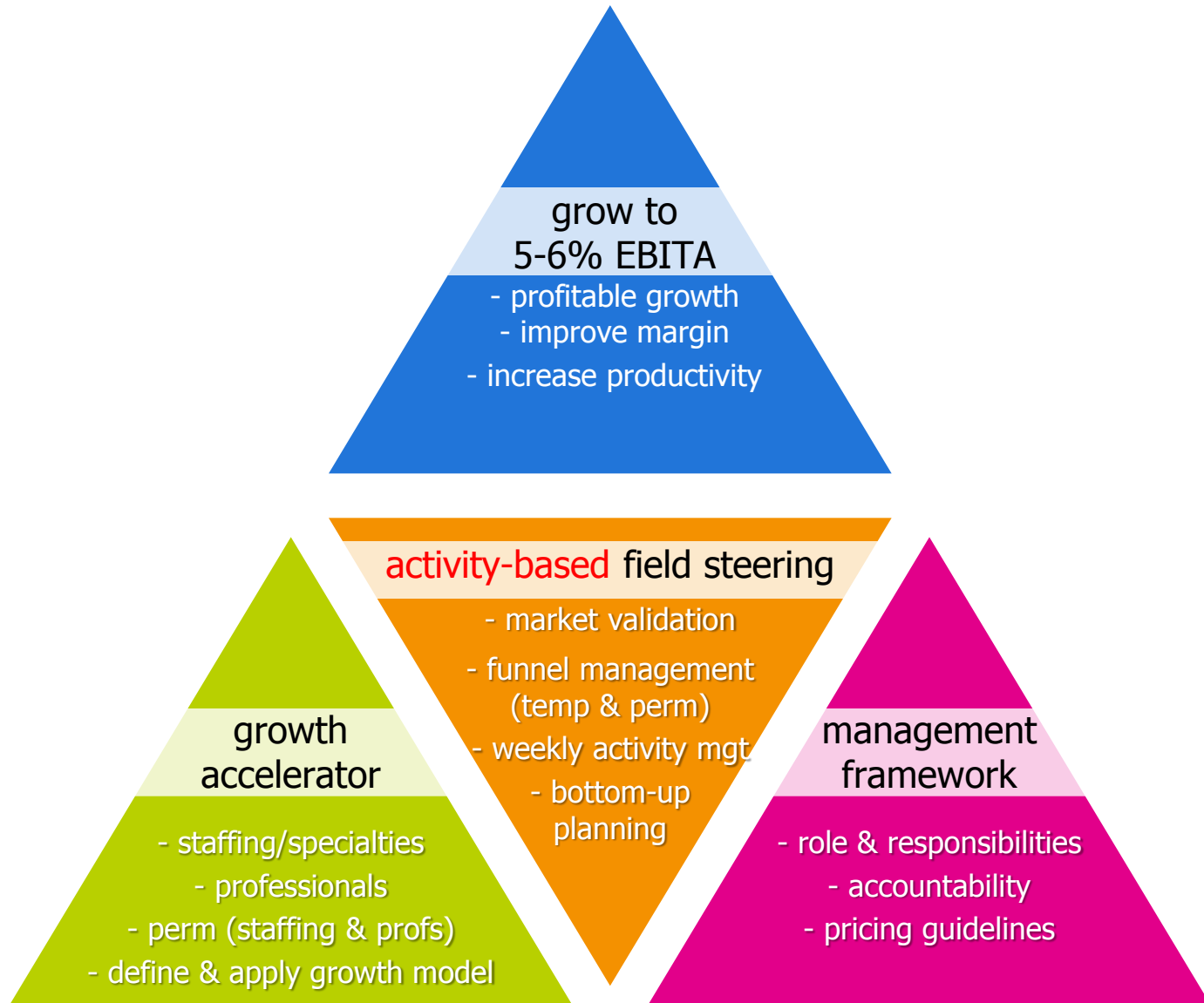
- ✓ expand in white-collar and Professionals
- ✓ increase share of wallet

HRS

- ✓ grow in MSP and RPO
- ✓ support TTA approach:
 - ✓ payrolling
 - ✓ outplacement
 - ✓ outsourcing

setting the ambition

profitable organic growth through **activity-based** field steering



integrated approach of line management & all functional disciplines

growth drivers & strategy

Our strategy

Randstad core values: to know, serve and trust, striving for perfection and the simultaneous promotion of all interests

structural growth drivers

- flexibility & outsourcing
- demographics
- clients look for a total offering
- regulation

strategic building blocks

- strong concepts
- best people
- excellent execution
- superior brands

value for our stakeholders

- | | |
|---|--|
| optimal workforces for clients | the best jobs for candidates |
| expertise for a better society and shareholder return | the employer of choice for our employees |

sustainability basics

financial targets

- EBITA margin of 5% to 6% over time, through revenue growth and mix improvement
- continuous profitable market share gains
- sound financial position with a leverage ratio between 0 and 2

strategic roadmap

driven by best people, strong concepts, excellent execution and superior brands

Our strategy

Randstad core values: to know, serve and trust, striving for perfection and the simultaneous promotion of all interests

structural growth drivers

- flexibility & outsourcing
- demographics
- clients look for a total offering
- regulation

strategic building blocks

- strong concepts
- best people
- excellent execution
- superior brands

value for our stakeholders

- optimal workforces for clients
 - the best jobs for candidates
 - expertise for a better society and shareholder return
 - the employer of choice for our employees
- sustainability basis

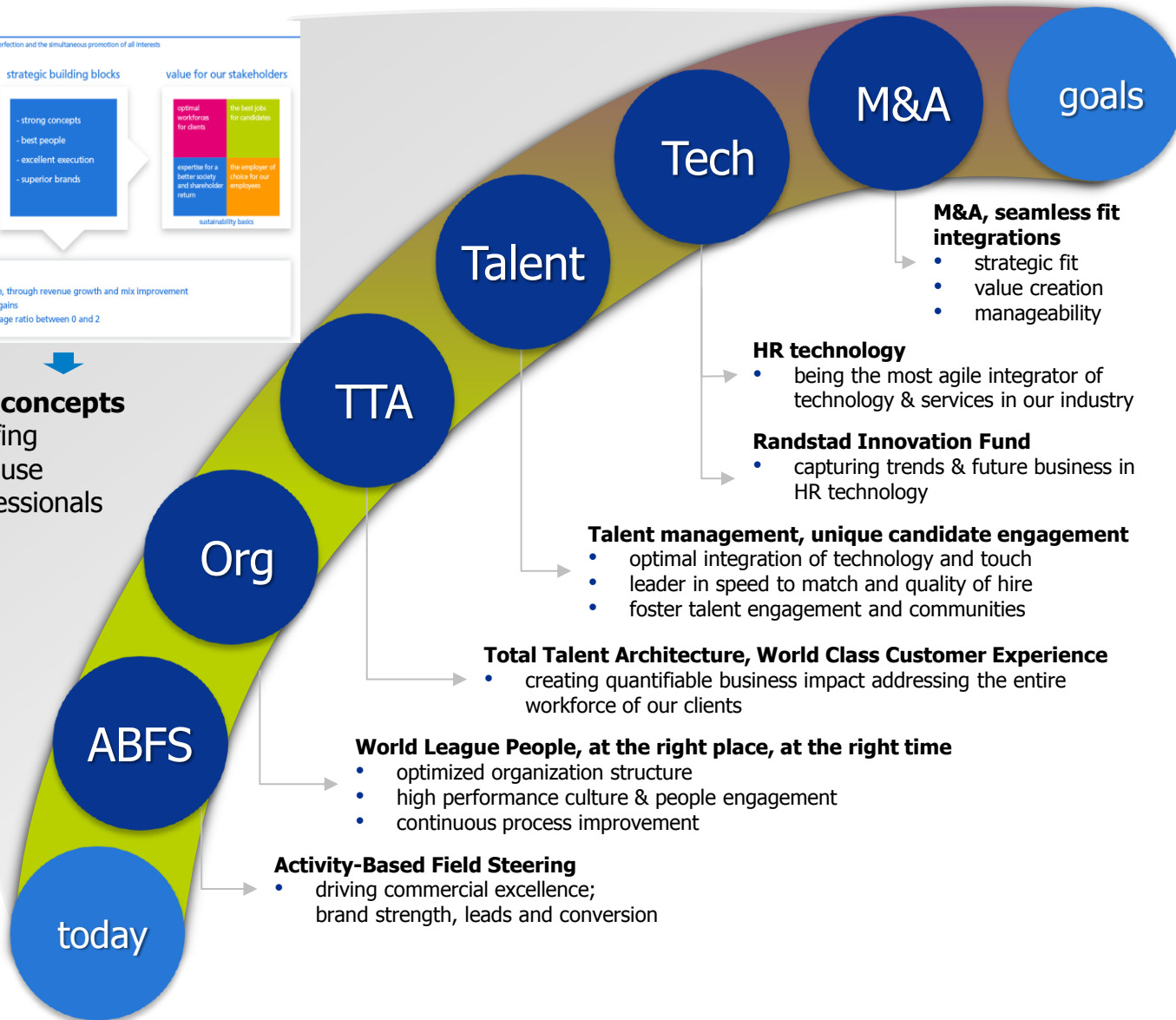
financial targets

- EBITA margin of 5% to 6% over time, through revenue growth and mix improvement
- continuous profitable market share gains
- sound financial position with a leverage ratio between 0 and 2



strong concepts

- Staffing
- Inhouse
- Professionals
- HRS



today

ABFS

Org

TTA

Talent

Tech

M&A

goals

M&A, seamless fit integrations

- strategic fit
- value creation
- manageability

HR technology

- being the most agile integrator of technology & services in our industry

Randstad Innovation Fund

- capturing trends & future business in HR technology

Talent management, unique candidate engagement

- optimal integration of technology and touch
- leader in speed to match and quality of hire
- foster talent engagement and communities

Total Talent Architecture, World Class Customer Experience

- creating quantifiable business impact addressing the entire workforce of our clients

World League People, at the right place, at the right time

- optimized organization structure
- high performance culture & people engagement
- continuous process improvement

Activity-Based Field Steering

- driving commercial excellence; brand strength, leads and conversion

shape the world of work

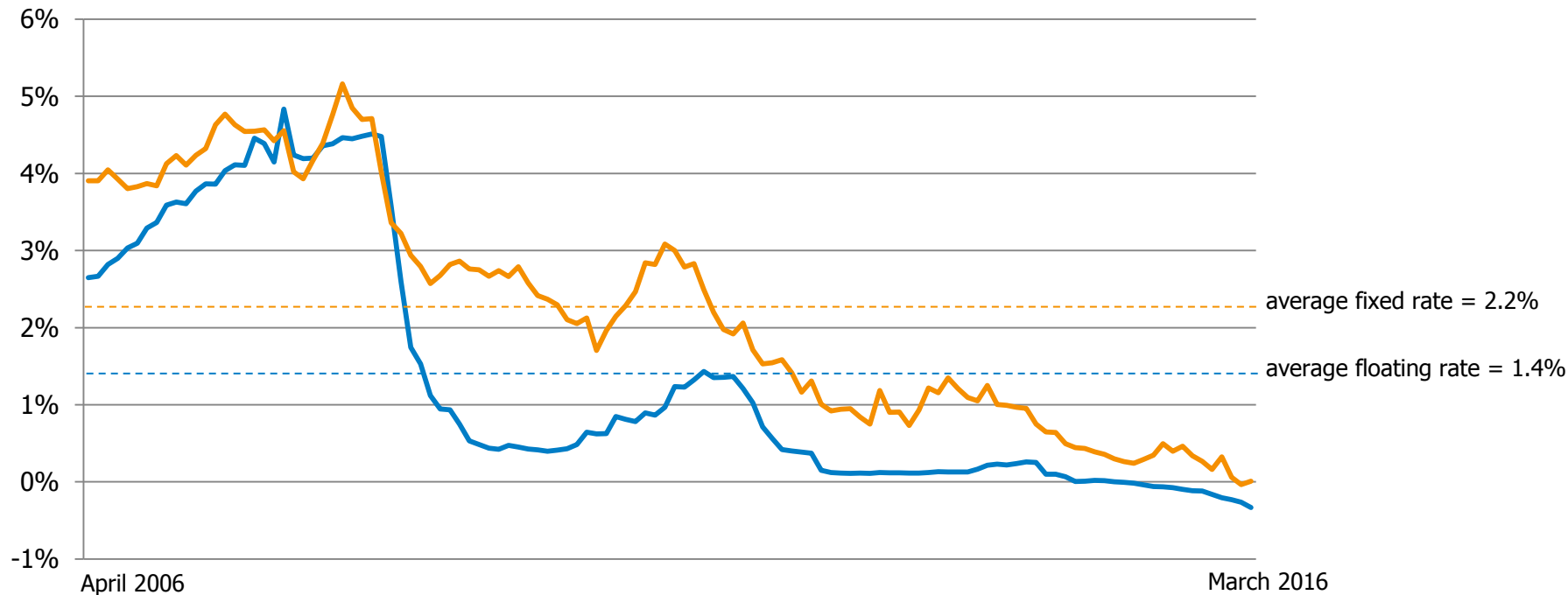
- optimal workforces for clients
- the best jobs for candidates

grow to 5-6% EBITA

- profitable growth
- improve margin
- increase productivity

financing: fixed vs. floating interest rates

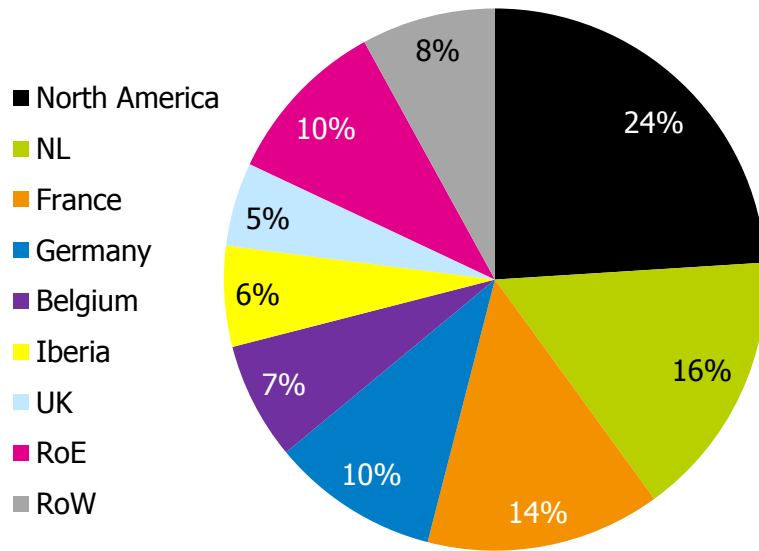
10 year historic interest rates comparison 1M vs. 5Y



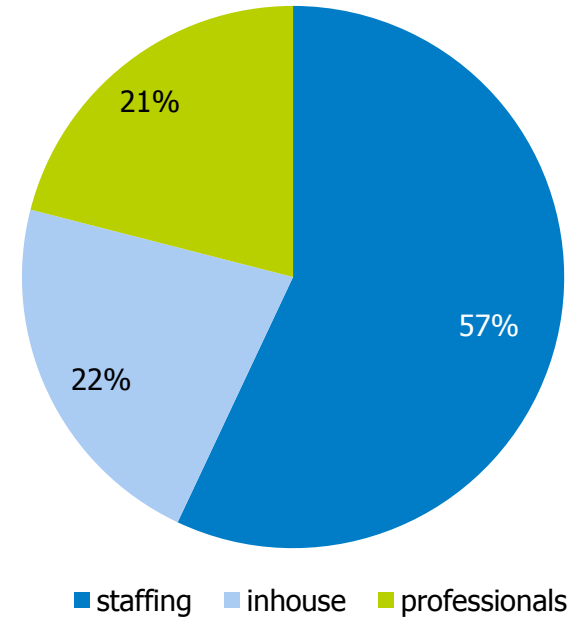
we use floating interest rates as a natural hedge
- spread above Euribor of 50-115 bps

revenue split Q1 2016

geographical areas

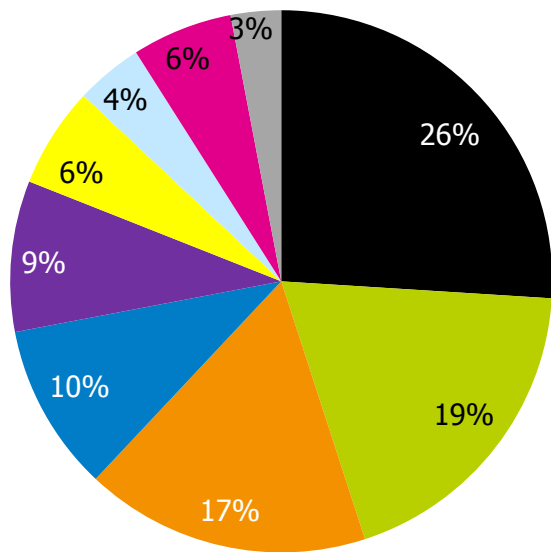


revenue categories

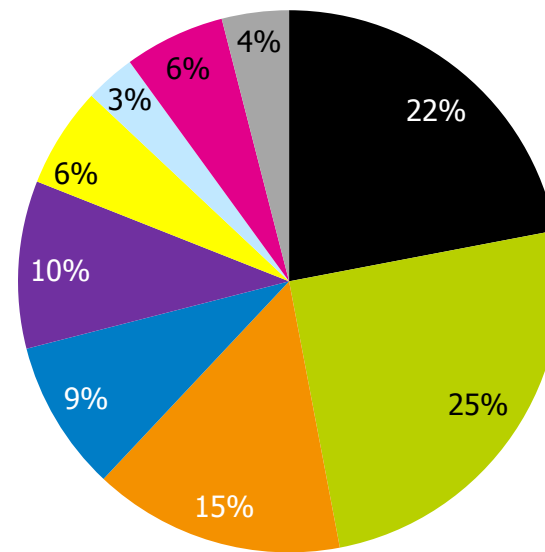


EBITA breakdown by geography

Q1 2016



Q1 2015



- North America
- NL
- France
- Germany
- Belgium
- Iberia
- UK
- RoE
- RoW

outlets* by region

end of period	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
North America	1,129	1,119	1,102	1,084	1,065
the Netherlands	661	644	648	644	659
France	700	728	729	741	739
Germany	546	550	547	547	556
Belgium/Lux	310	303	311	303	306
Iberia	331	306	303	302	295
United Kingdom	146	139	130	134	131
Rest of Europe**	507	406	374	389	389
Rest of the world	285	278	274	272	271
total	4,615	4,473	4,418	4,416	4,411

* Branches, inhouse & other onsite/client locations.

** 79 outlets have been added following the Proffice acquisition.

corporate staff by region

average	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
North America	6,440	6,610	6,460	6,410	6,250
the Netherlands	4,270	4,200	4,230	4,050	4,120
France	3,500	3,520	3,500	3,410	3,390
Germany	2,600	2,600	2,550	2,560	2,570
Belgium/Lux	1,840	1,890	1,910	1,870	1,880
Iberia	1,830	1,830	1,790	1,720	1,650
United Kingdom	1,580	1,590	1,610	1,530	1,510
Rest of Europe*	3,780	3,010	2,880	2,740	2,650
Rest of the world	5,110	5,060	4,970	4,780	4,690
Corporate	190	190	190	190	190
total	31,140	30,500	30,090	29,260	28,900

* Normalized for the quarter 700 average staff have been added following the Proffice acquisition.

staffing employees by region

average	Q1 2016	Q1 2015
North America	104,100	101,600
the Netherlands	76,200	66,000
France	71,100	70,900
Germany	43,100	43,000
Belgium/Lux	36,200	38,200
Iberia	58,100	56,600
United Kingdom	14,500	17,100
Rest of Europe*	65,800	55,800
Rest of the world	107,900	112,000
total	577,000	561,200

* Normalized for the quarter 5,500 EW's have been added following the Proffice acquisition.