

3rd quarter 2016 results

resilient trends

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Randstad Holding nv
October 25, 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

Q3 2016: *resilient trends*

Revenue of € 5,349 million; organic growth +4.2%; gross profit up 3.3%

Topline grew 5% in Europe, 1% in North America and 8% in Rest of the world

Gross margin down 10bp YoY to 18.7%; perm fees up 7%

Underlying EBITA of € 271 million; EBITA margin up 10bp to 5.1%; L4Q ICR of 53%

Adjusted net income up 12% to € 193 million; ROIC at 18.0%

Leverage ratio of 0.6 compared to 0.5 last year

L4Q EBITA margin of 4.6% (+20bp YoY)

Volumes in October so far indicate a continuation of the trend

Obiettivo Lavoro (Italy), Careo (Japan) and twago (Germany) acquisitions consolidated in Q3

L4Q: stable mid-single-digit growth

€ million	Q3 '16	Q3 '15	% Org.	L4Q '16	L4Q '15	% Org.
revenue	5,349	4,977	+4%	20,154	18,720	+5%
gross profit	1,000	934	+3%	3,772	3,492	+4%
<i>gross margin</i>	18.7%	18.8%		18.7%	18.7%	
operating expenses*	729	685	+2%	2,848	2,676	+3%
<i>opex %</i>	13.6%	13.8%		14.1%	14.3%	
EBITA*	271	249	+5%	924	816	+11%
<i>EBITA margin*</i>	5.1%	5.0%		4.6%	4.4%	

↗ organic growth/wd over L4Q at +5%

↗ L4Q gross profit growth at +4%

- gross margin flat YoY for L4Q
- L4Q perm growth at +9%

↗ L4Q operating expenses* up 3% organically YoY

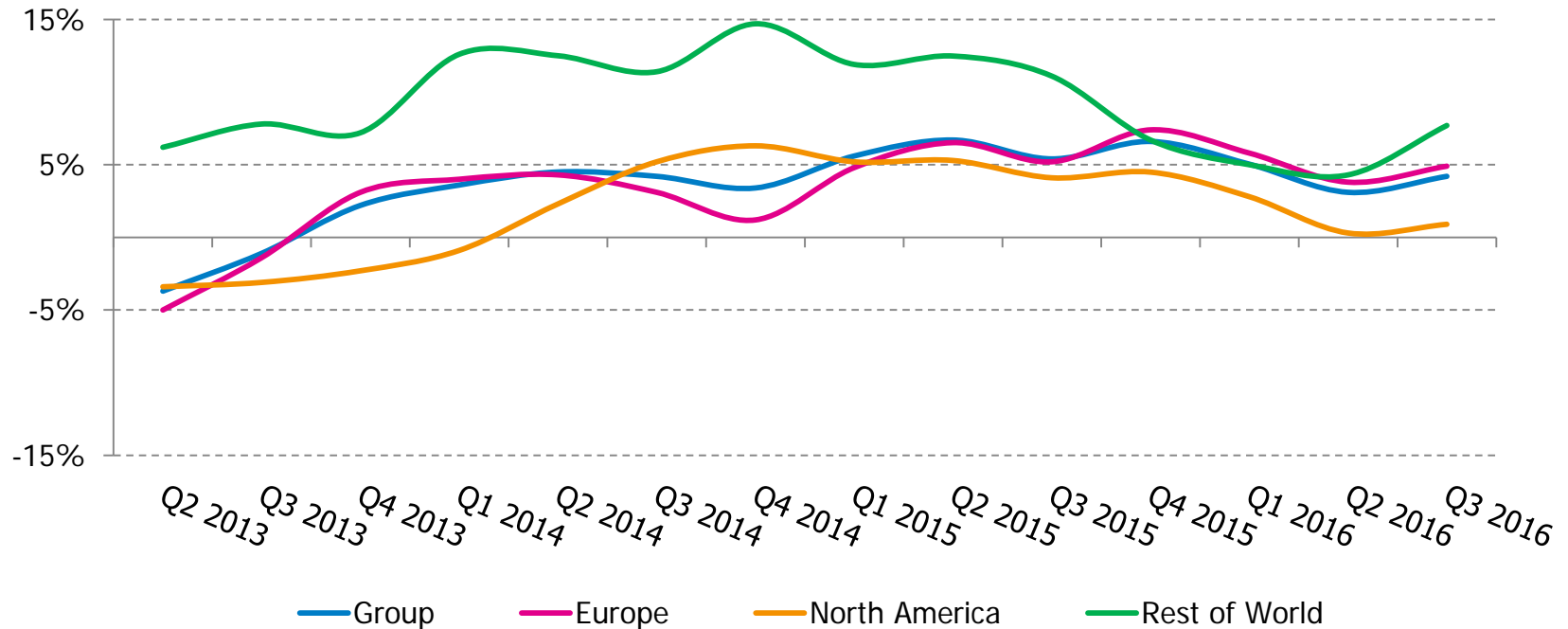
↗ EBITA* margin over the L4Q up to 4.6%, from 4.4%

- L4Q organic incremental conversion ratio of 53%

* Before integration costs & one-offs.

regional split: resilient performance

YoY Randstad growth development

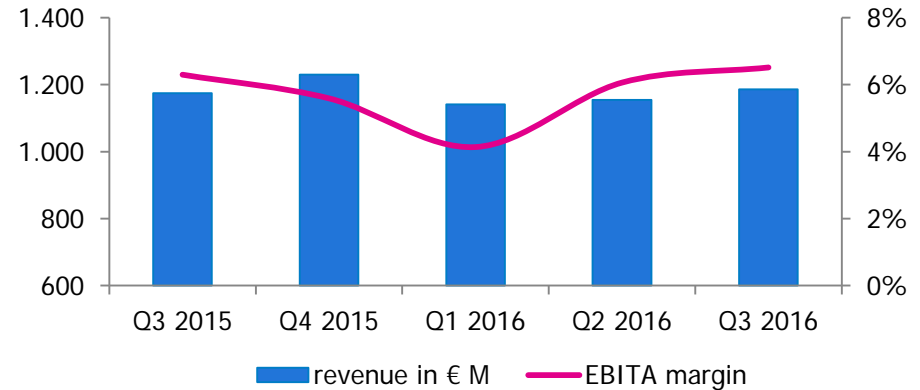


- ☞ Europe grew 5% (vs. +4% in Q2)
- ☞ North America grew 1% (vs. flat in Q2)
- ☞ Rest of the world increased 8% (vs. +4% in Q2)
- ☞ Group grew 4% (vs. +3% in Q2)

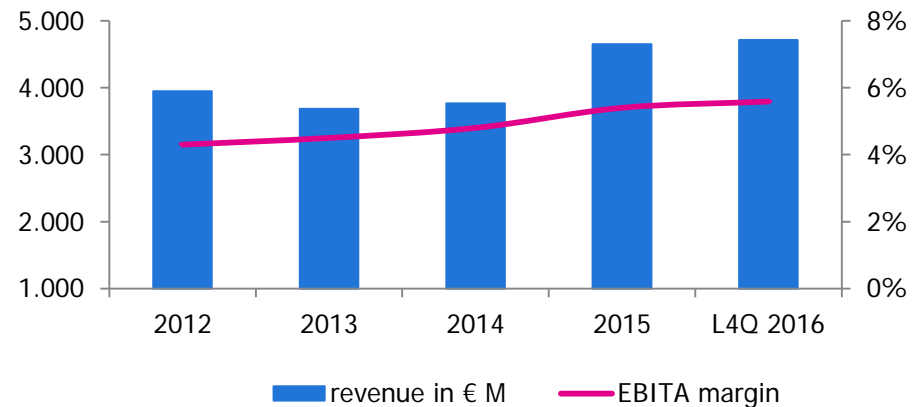
North America: solid profitability

- revenue up 1% (Q2: flat)
- US Staffing & Inhouse, revenue growth +2% (Q2: up 1%)
- US Professionals, revenue down 3%
- Canada: revenue +5% (Q2: up 2%)
- ahead of a challenging market
- EBITA margin up to 6.5% from 6.3% LY

North America – historical organic growth



performance North America - annually



the Netherlands: still affected by payroll business

revenue at +2% (Q2: +3%)

- decline of government payrolling
- price pressure continues

perm up 26% (Q2: +18%)

combined Staffing & Inhouse businesses

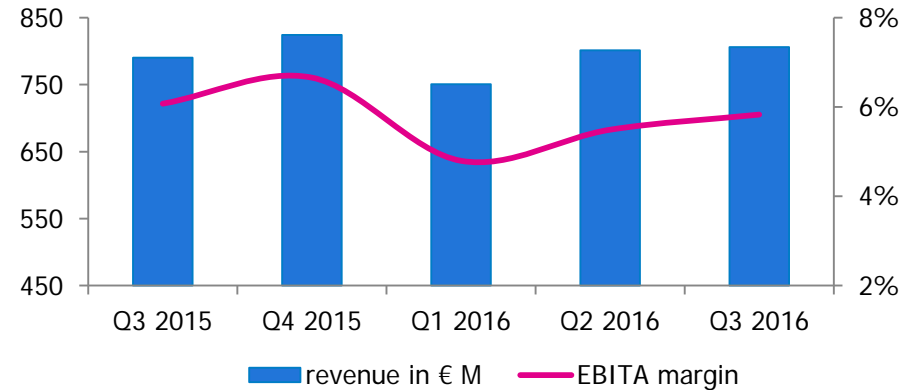
- up 3% (Q2: +2%)

Professionals

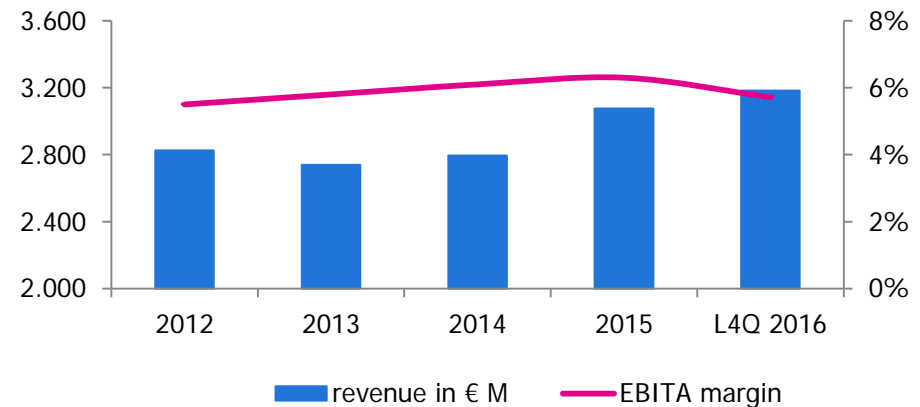
- down 4% (Q2: +11%)

EBITA margin at 5.8% vs. 6.1% LY

performance the Netherlands - quarterly

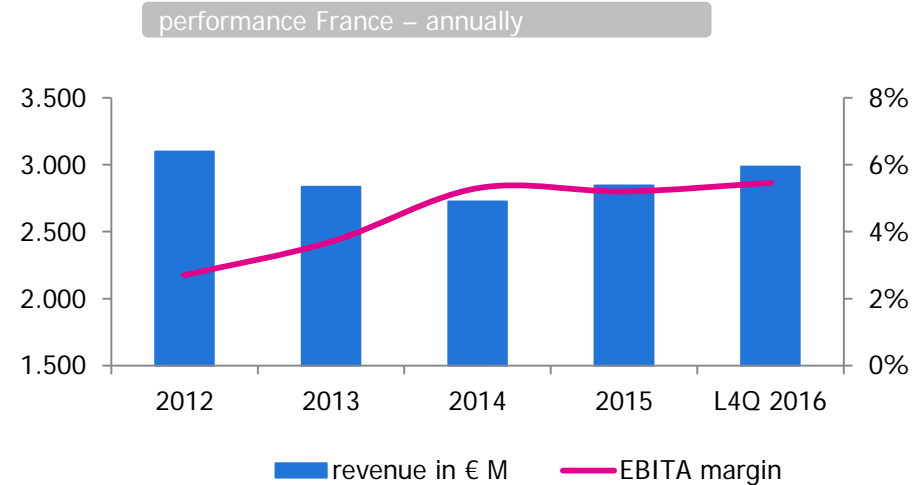
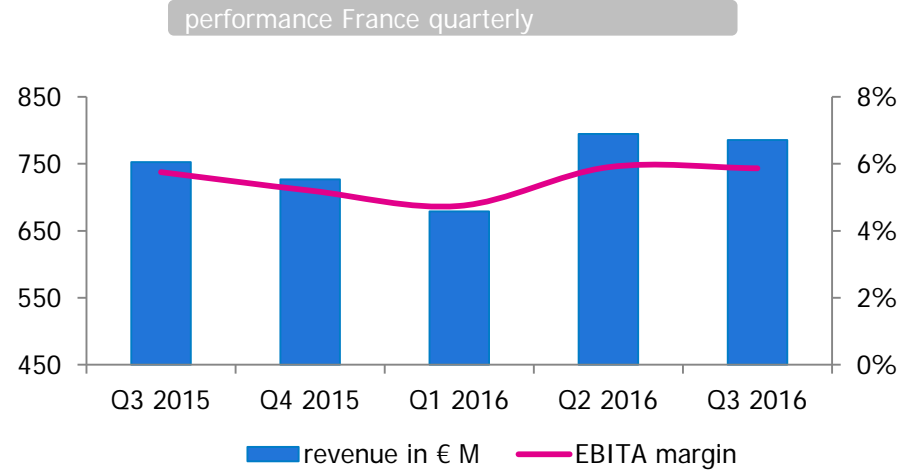


performance the Netherlands - annually



France: continued mid-single digit growth

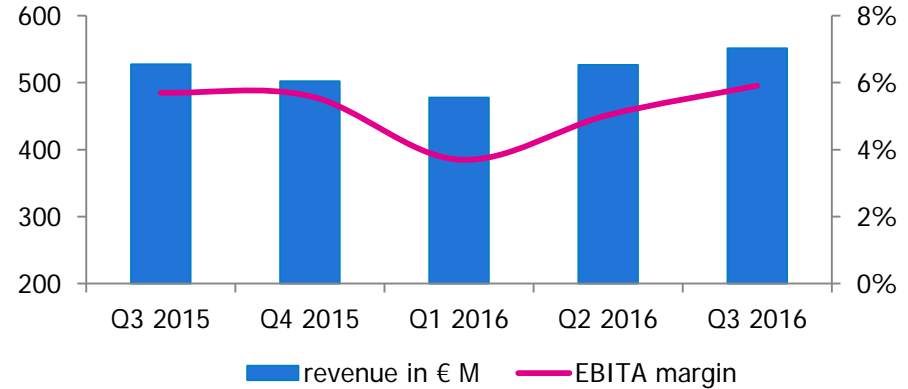
- revenue up 5% YoY (Q2: +4%)
 - combined Staffing & Inhouse at +4% YoY
 - Professionals at +11%
 - perm grew 31%
- EBITA margin at 5.9% vs. 5.8% LY



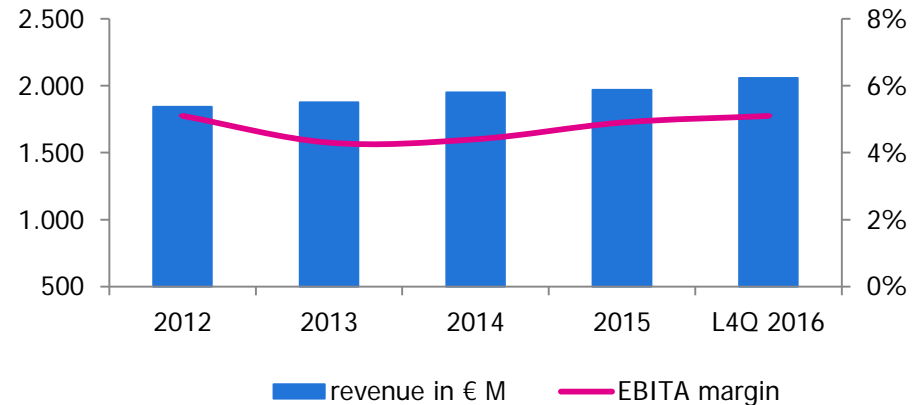
Germany: steady growth & improved profitability

- revenue growth +5% YoY (Q2: +5%)
 - SME outgrowing large clients
- Staffing/Inhouse +4%, Professionals +8%
- EBITA margin at 5.9% vs. 5.7% LY

performance Germany - quarterly

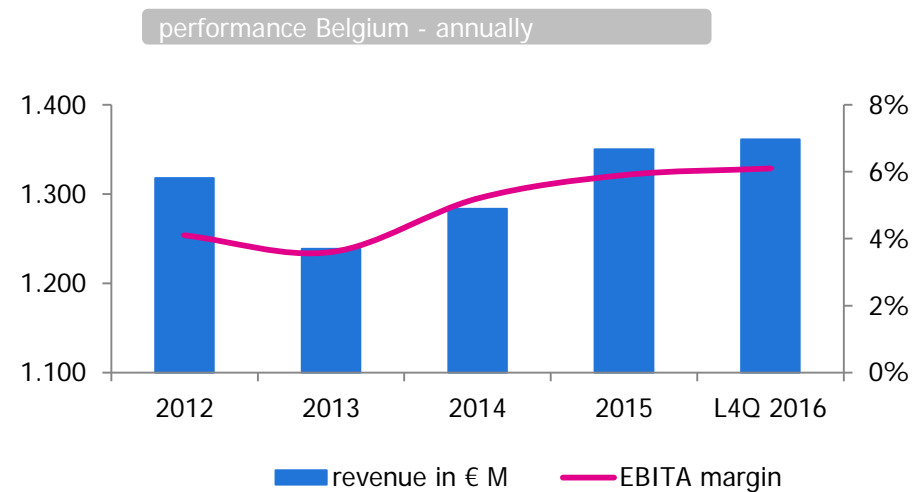
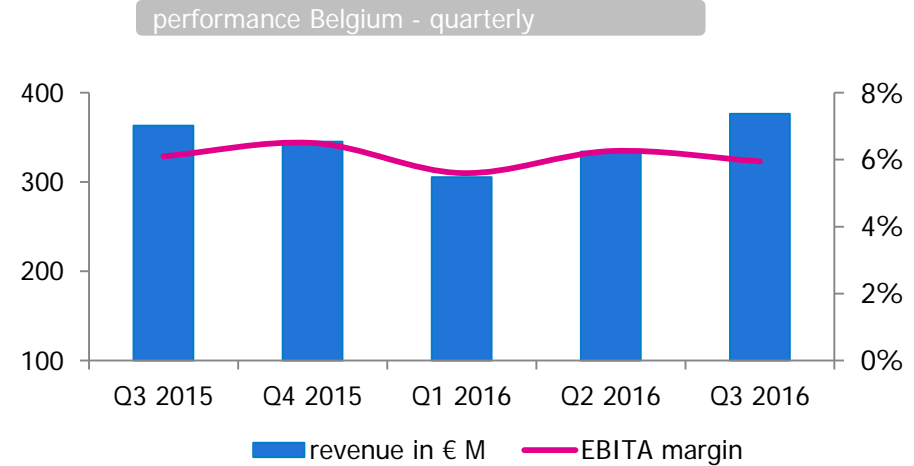


performance Germany - annually



Belgium: closing gap to market

- revenue up 5% (Q2: -2%)
 - Staffing/Inhouse up 5% (Q2: -2%)
- gross profit was +8% (Q2: +4%)
 - focus on client profitability
- EBITA margin at 5.9% vs. 6.1% LY



Iberia: improving results

▸ Iberia revenue up 6% (Q2: +5%)

▸ Spain

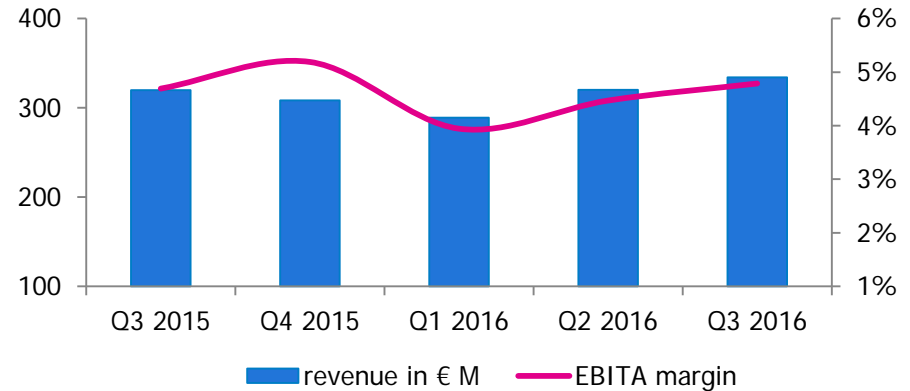
- revenue growth at +6% (Q2: +5%)
- Staffing/inhouse up 6%
- perm growth +23%

▸ Portugal

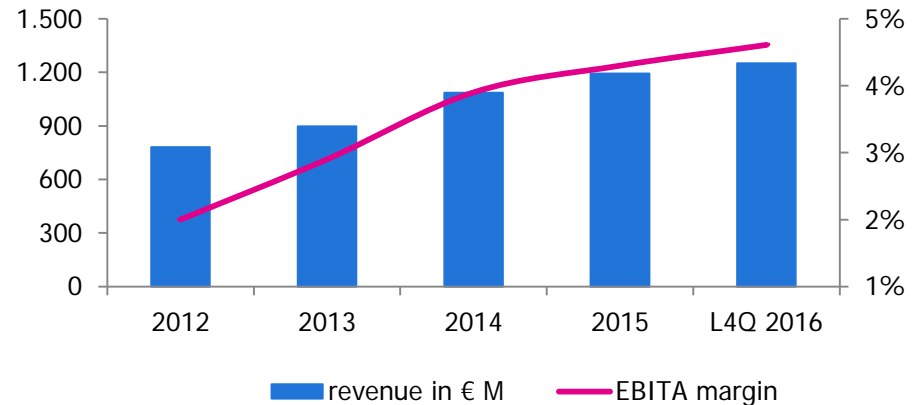
- revenue growth improved to +7% (Q2: +5%)
- continued growth in contact center business

▸ EBITA margin at 4.8% vs. 4.7% LY

Org. revenue performance Iberia - quarterly

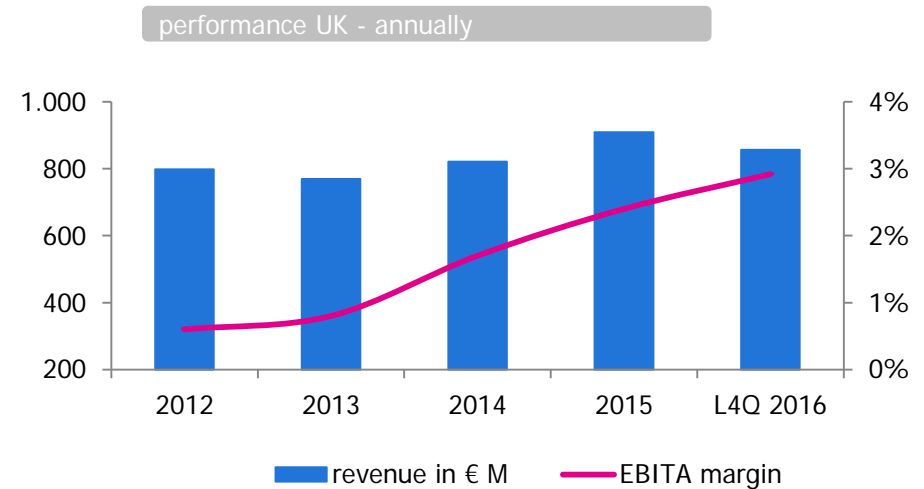
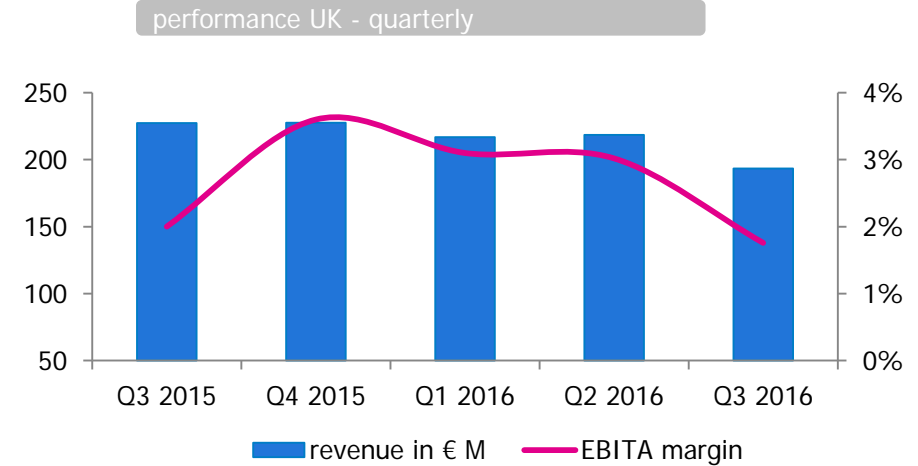


performance Iberia - annually



UK: brexit impact continues to be limited

- Q3 revenue up 1% (Q2: flat)
- perm fees down 4% (Q2: down 5%)
- EBITA margin at 1.8% vs. 2.0% LY



Other European countries: sound Italy

overall revenue growth +10%
(Q2: +9%)

Italy

- revenue growth at 15% (Q2: +12%)
- focus on specialties and perm (+33%) paying off

Switzerland

- growth at +12% (Q2: +10%)

Poland

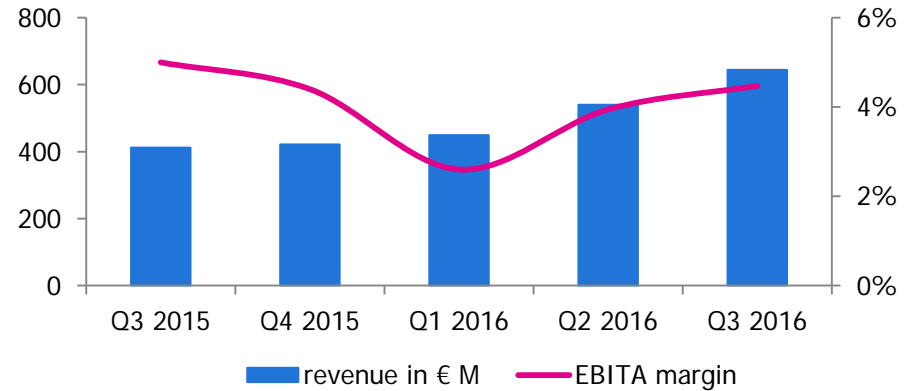
- growth at +9% (Q2: +13%)

Nordics

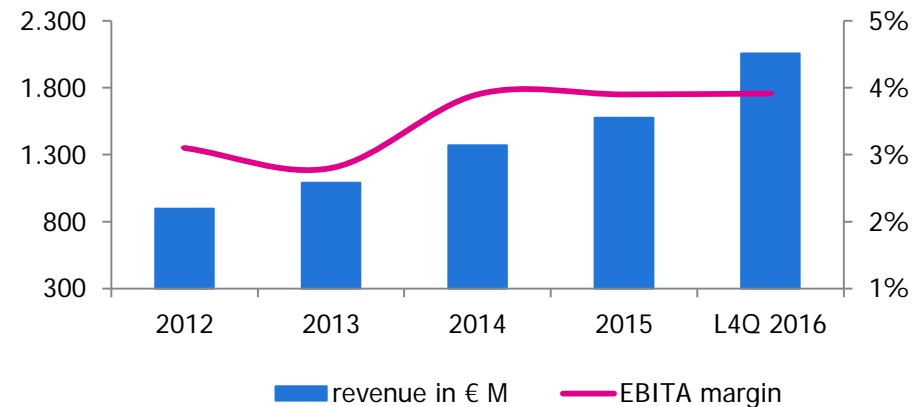
- Proffice integration well on track

EBITA margin at 4.5% vs. 5.0% LY

performance ROE - quarterly



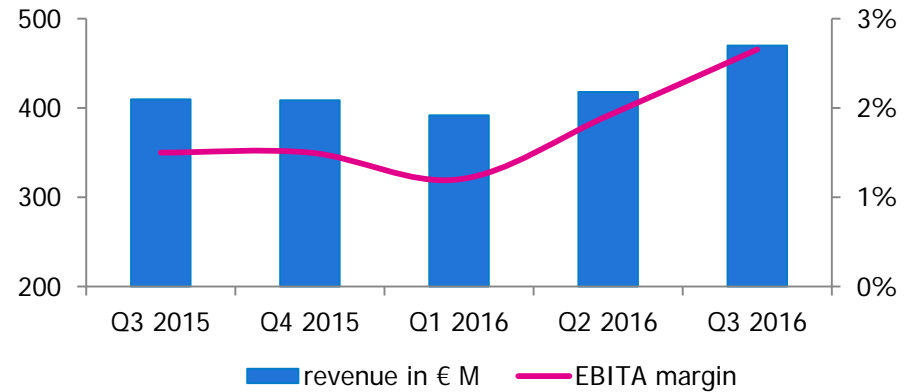
performance ROE - annually



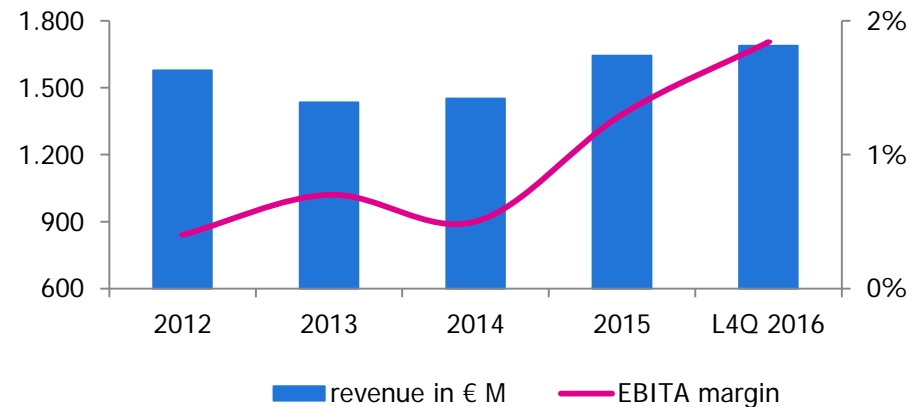
Rest of the world: growth accelerated

- ☞ overall revenue growth +8% (Q2: +4%)
- ☞ Japan, growth at +5% YoY (Q2: +4%)
 - perm grew 44%
- ☞ Australia/New Zealand grew 8% (Q2: +4%)
 - driven by Inhouse
- ☞ overall Asia, growth at +4% (Q2: +4%)
- ☞ Latin America, up 22% (Q2: +6%)
- ☞ EBITA margin at 2.7% from 1.5% LY

performance ROW - quarterly



performance ROW - annually



financial results & outlook

income statement Q3 2016

€ million	Q3 '16	Q3 '15	% Org.	L4Q '16	L4Q '15	% Org.
revenue	5,349	4,977	+4%	20,154	18,720	+5%
gross profit	1,000	934	+3%	3,772	3,492	+4%
<i>gross margin</i>	18.7%	18.8%		18.7%	18.7%	
operating expenses*	729	685	+2%	2,848	2,676	+3%
<i>opex margin</i>	13.6%	13.8%		14.1%	14.3%	
EBITA*	271	249	+5%	924	816	+11%
<i>EBITA margin*</i>	5.1%	5.0%		4.6%	4.4%	
integration costs & one-offs	11	8		29	53	
reported EBITA	260	241		895	763	
amortization & impairment	-/- 16	-/- 26		-/- 95	-/- 137	
net finance costs & associates	-/- 4	-/- 6		5	-/- 45	
income before taxes	239	210		805	582	
tax	-/- 62	-/- 57		-/- 193	-/- 162	
net income	177	153		612	421	
<i>adjusted*** net income**</i>	<i>193</i>	<i>172</i>		<i>679</i>	<i>540</i>	
<i>diluted EPS***</i>	<i>1.05</i>	<i>0.93</i>		<i>3.70</i>	<i>2.94</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.

performance by revenue category

Staffing in € M	Q3 2016	Q3 2015	*% <i>organic</i>	L4Q 2016	L4Q 2015	*% <i>organic</i>
revenue	3,153	2,918	3%	11,698	10,934	3%
EBITA	167	151	2%	557	479	9%
<i>EBITA margin</i>	5.3%	5.2%		4.8%	4.4%	

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

Inhouse in € M	Q3 2016	Q3 2015	*% <i>organic</i>	L4Q 2016	L4Q 2015	*% <i>organic</i>
revenue	1,200	1,090	10%	4,514	4,048	10%
EBITA	64	58	16%	220	217	10%
<i>EBITA margin</i>	5.3%	5.3%		4.9%	5.3%	

- ☞ continued transfer of clients from Staffing to ensure right delivery model is offered

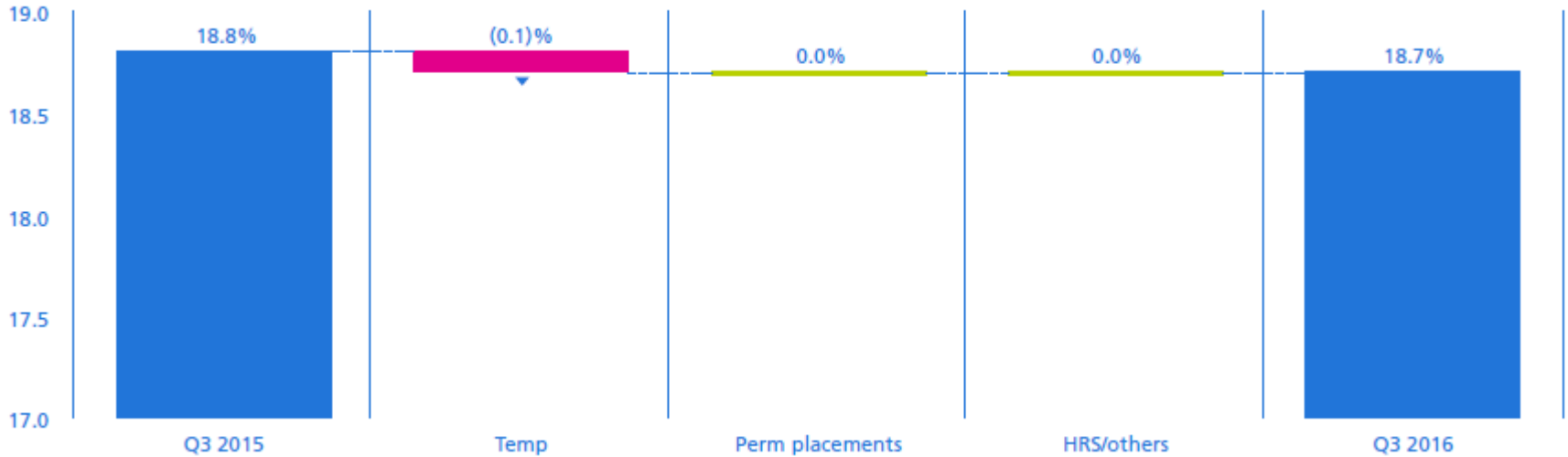
Professionals in € M	Q3 2016	Q3 2015	*% <i>organic</i>	L4Q 2016	L4Q 2015	*% <i>organic</i>
revenue	996	969	2%	3,943	3,739	3%
EBITA	55	55	3%	213	182	15%
<i>EBITA margin</i>	5.5%	5.7%		5.4%	4.9%	

- ☞ focus on strong verticals:
 - ☞ IT
 - ☞ Finance/Accounting
 - ☞ Engineering

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

gross margin bridge

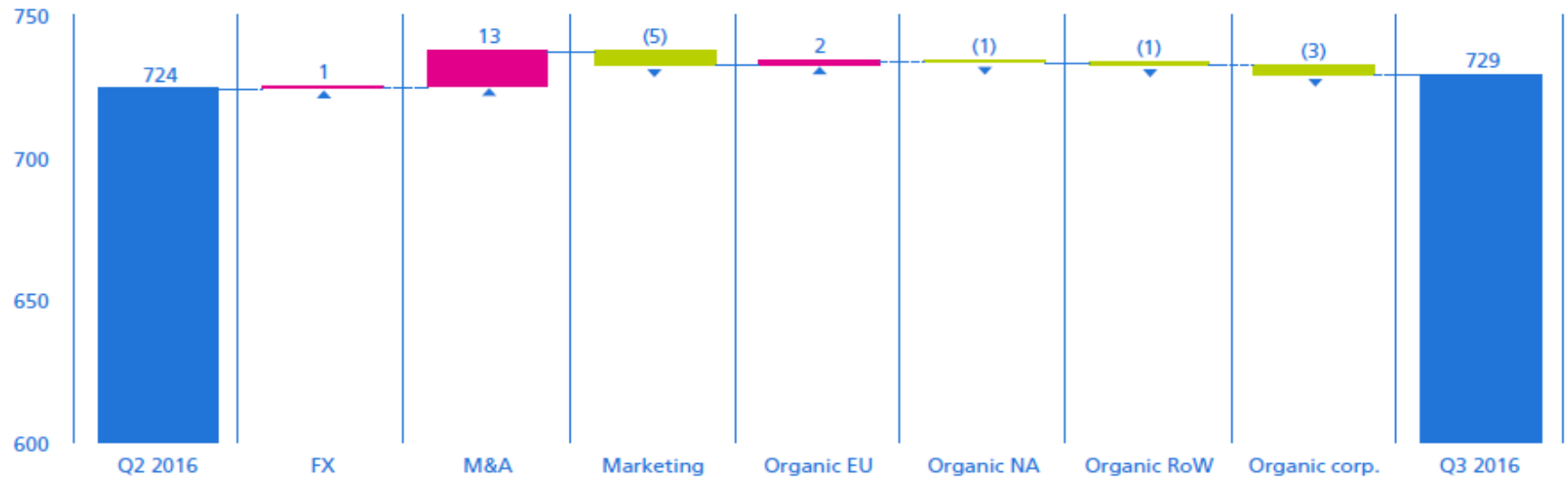
YoY gross margin development (%)



- temp margin -/-10bp impact
- perm fees grew 7% YoY organically
- immaterial impact from acquired companies

operating expenses bridge

Sequential OPEX development Q2 -> Q3 in € million



- ☞ OPEX down € 8M organically (sequentially)
- ☞ unfavorable FX impact € 1M
- ☞ M&A relates mainly to acquisition of Obiettivo Lavoro and Careo

net debt at € 561M

leverage ratio at 0.6

€ million	Q3, 2016	Q3, 2015
goodwill and acquisition-related intangible assets	2,808	2,596
operating working capital	831	708
net tax assets	464	567
all other assets and liabilities*	400	257
invested capital	4,503	4,129
total equity	3,941	3,676
net debt	561	453
invested capital	4,503	4,129
<i>DSO, Days Sales Outstanding, moving average</i>	51.1	50.8
<i>working capital as % of revenue over last 12 months</i>	4.1%	3.8%
<i>leverage ratio</i>	0.6	0.5
<i>return on invested capital**</i>	18.0%	16.2%

* Starting Q1 2016, we have slightly changed our presentation in this table. In prior years software was included in "goodwill and intangible assets". Software is now included in "Other assets/(liabilities)" resulting in "Goodwill and acquisition-related intangible assets", representing items resulting from acquisitions. Comparative amounts have been adjusted accordingly.

** Return on invested capital: Underlying EBITA (last 12 months) less income tax paid (last 12 months) as percentage of invested capital.

Q3'16 free cash flow

€ million	Q3 '16	Q3 '15	L4Q '16	L4Q '15
EBITDA	281	257	964	829
change in OWC	-	30	-/- 107	-/- 106
income taxes	-/- 33	-/- 32	-/- 114	-/- 147
provisions & employee benefit obl.	-	-/- 12	-/- 16	-/- 3
net capital expenditures	-/- 27	-/- 16	-/- 83	-/- 65
other items	-/- 21	-/- 21	-/- 74	-/- 70
financial assets	-	-	-/- 4	-/- 7
free cash flow	200	208	566	431
net acquisitions/disposals/buyouts	-/- 125	-/- 90	-/- 301	-/- 92
net issue/purchase of ordinary shares	-	-	-/- 49	-/- 19
net finance costs	-/- 3	1	-/- 17	-/- 11
dividend paid	-	-	-/- 320	-/- 94
translation and other items	1	4	11	-/- 7
Net decrease/(increase) of net debt	73	123	-109	208

outlook

- ↻ organic revenue growth was 4.2% in Q3; In September, revenue grew by 4.0%
 - volumes in early October indicate a continuation of the Q3 growth rate.
- ↻ gross margin in Q4 is expected to remain at least stable sequentially
- ↻ for Q4 we expect a minor sequential increase of operating expenses (on an organic basis)
- ↻ in Q4 there will be 1.1 less working day vs last year

Q&A

Revenue of € 5,349 million; organic growth +4.2%; gross profit up 3.3%

Topline grew 5% in Europe, 1% in North America and 8% in Rest of the world

Gross margin down 10bp YoY to 18.7%; perm fees up 7%

Underlying EBITA of € 271 million; EBITA margin up 10bp to 5.1%; L4Q ICR of 53%

Adjusted net income up 12% to € 193 million; ROIC at 18.0%

Leverage ratio of 0.6 compared to 0.5 last year

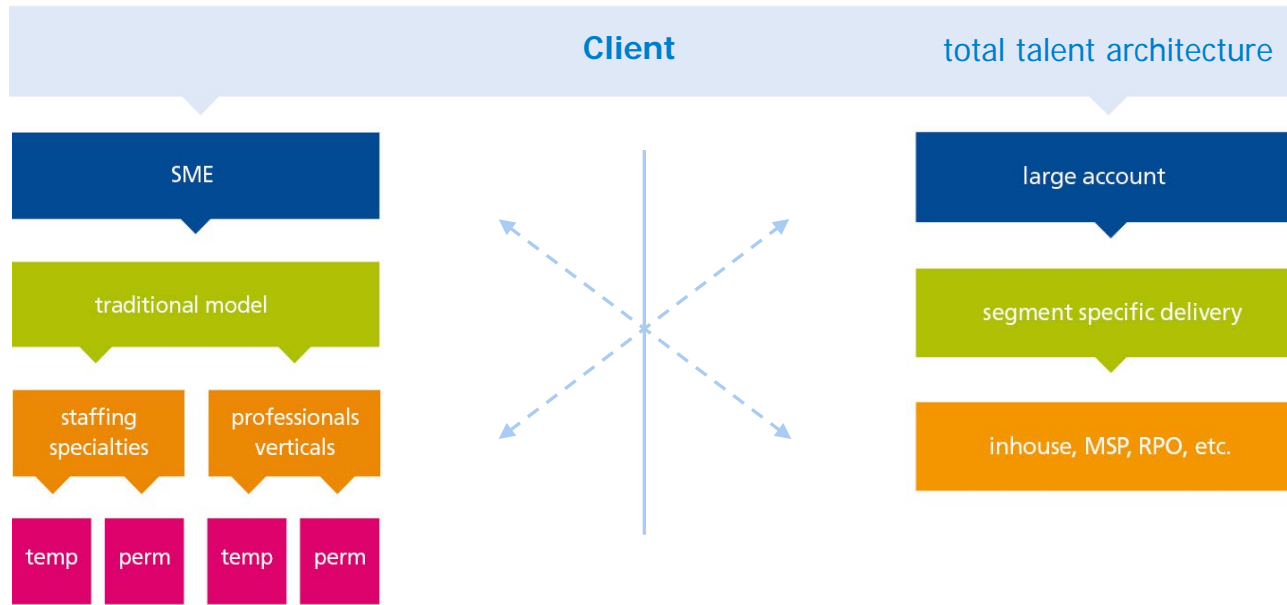
L4Q EBITA margin of 4.6% (+20bp YoY)

Volumes in October so far indicate a continuation of the trend

Obiettivo Lavoro (Italy), Careo (Japan) and twago (Germany) acquisitions consolidated in Q3

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

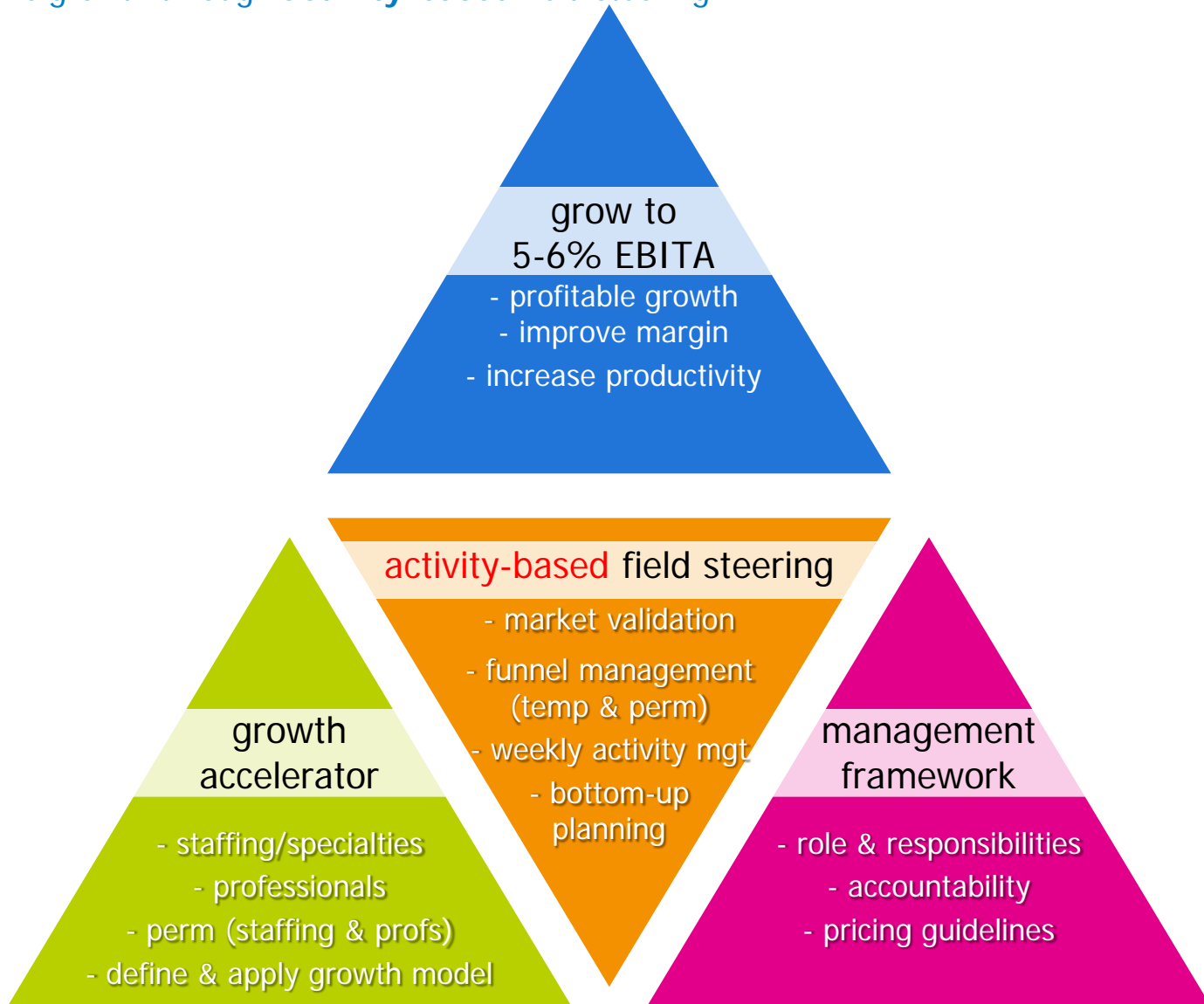
- ☞ expand in white-collar and Professionals
- ☞ increase share of wallet

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

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structural growth drivers

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value for our stakeholders

- optimal workforces for clients
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sustainability basis

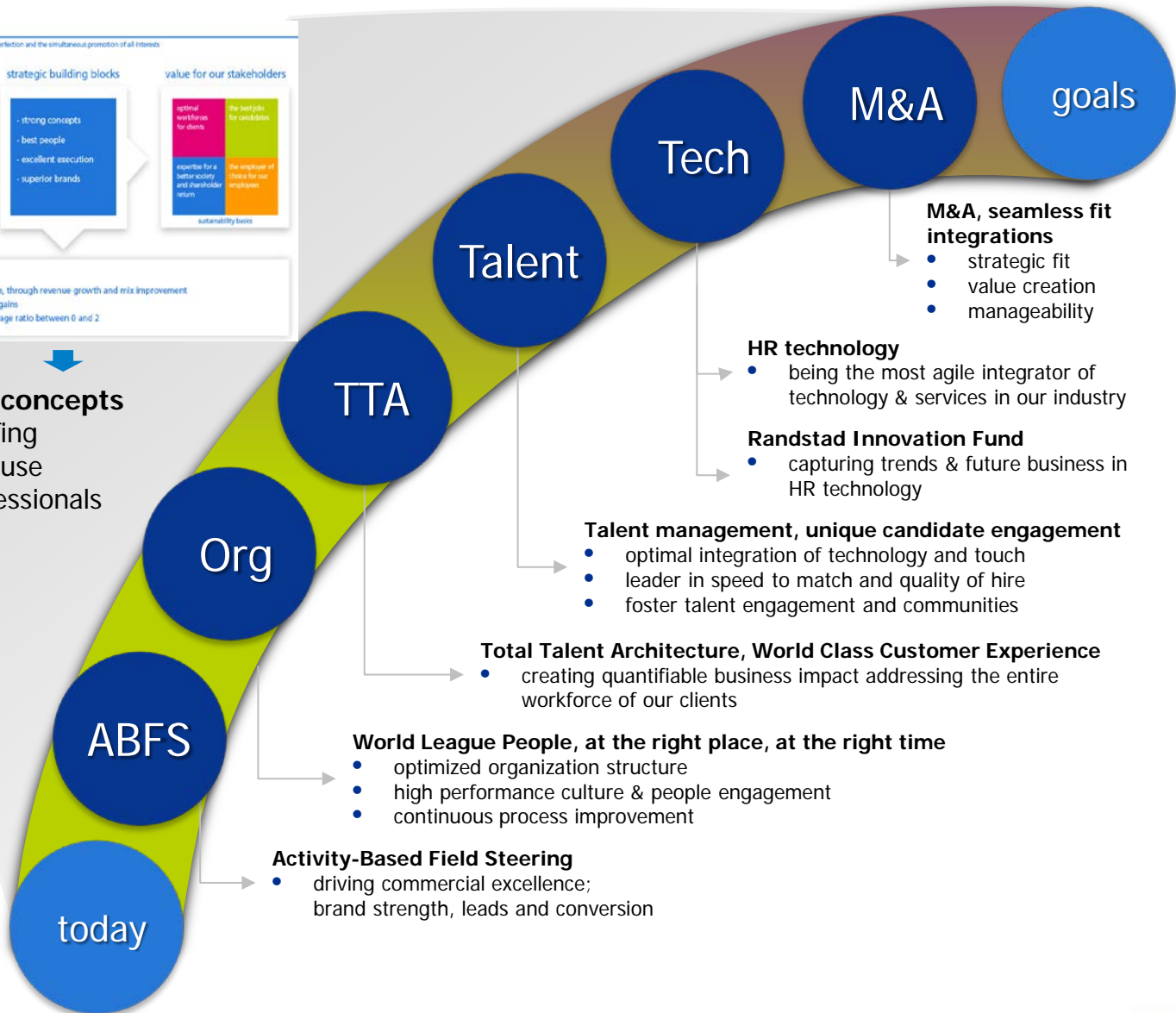
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strong concepts

- 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

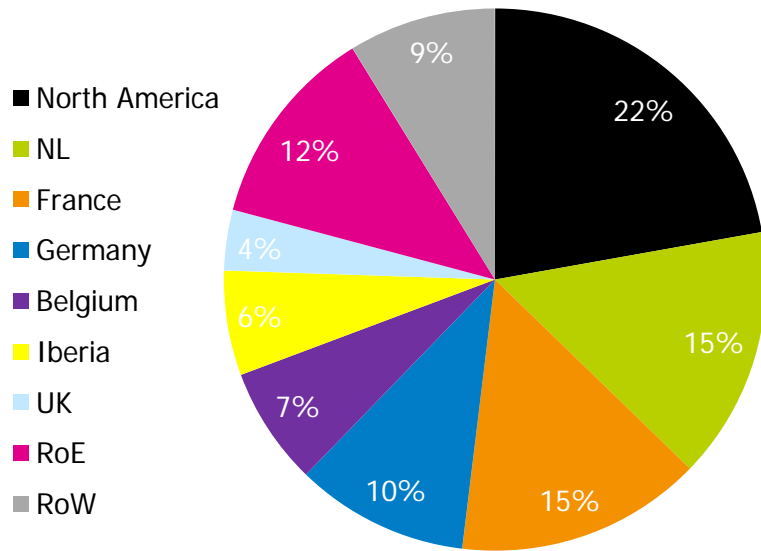
- optimal workforces for clients
- the best jobs for candidates

grow to 5-6% EBITA

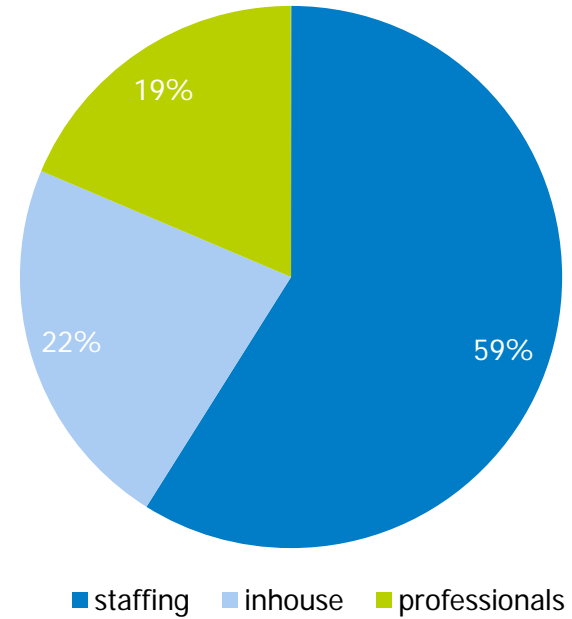
- profitable growth
- improve margin
- increase productivity

revenue split Q3 2016

geographical areas

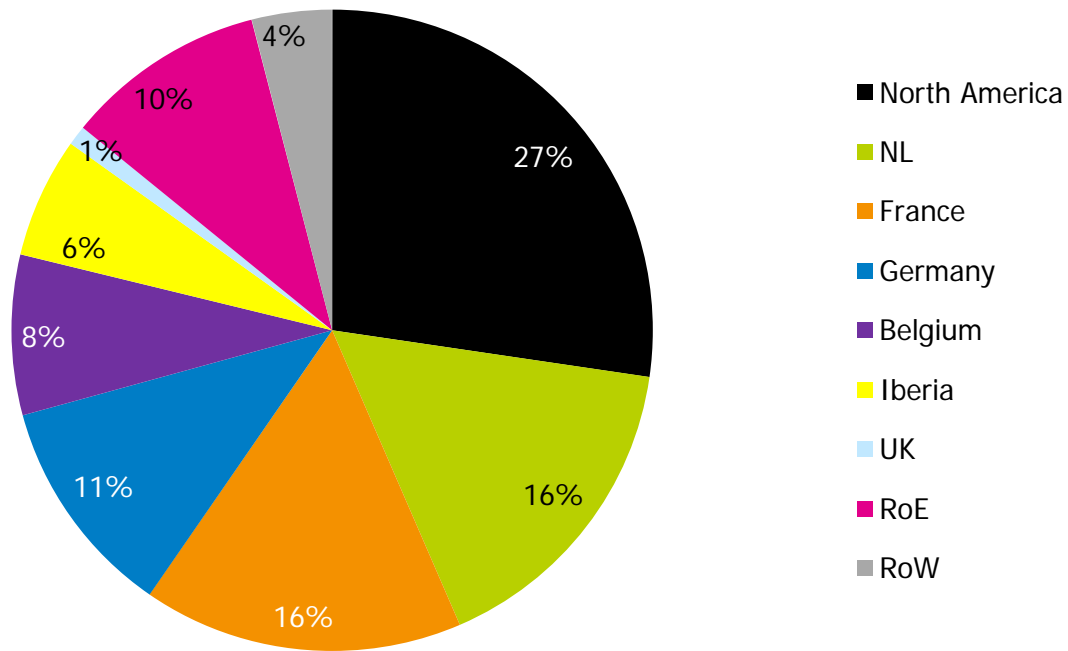


revenue categories



EBITA breakdown by geography

Q3 2016



outlets* by region

end of period	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
North America	1,134	1,135	1,129	1,119	1,102
the Netherlands	655	649	661	644	648
France	680	681	700	728	729
Germany	565	558	546	550	547
Belgium & Luxembourg	308	303	310	303	311
Iberia	339	332	331	306	303
United Kingdom	132	138	146	139	130
Other European Countries**	633	517	507	406	374
Rest of the world	291	285	285	278	274
total	4,737	4,598	4,615	4,473	4,418

* Branches, Inhouse & other onsite/client locations.

** 110 outlets have been added in Q3 following the Obiettivo Lavoro acquisition.

corporate staff by region

average	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
North America	6,530	6,490	6,440	6,610	6,460
the Netherlands	4,380	4,320	4,270	4,200	4,230
France	3,580	3,530	3,500	3,520	3,500
Germany	2,700	2,640	2,600	2,600	2,550
Belgium & Luxembourg	2,010	1,900	1,840	1,890	1,910
Iberia	1,880	1,840	1,830	1,830	1,790
United Kingdom	1,510	1,540	1,580	1,590	1,610
Other European Countries	4,540	3,880	3,780	3,010	2,880
Rest of the world	5,280	5,200	5,110	5,060	4,970
Corporate	190	180	190	190	190
total *	32,610	31,520	31,140	30,500	30,090

* Normalized for the quarter 650 average staff have been added with Obiettivo Lavoro and Careo.

staffing employees by region

average	Q3 2016	Q3 2015
North America	108,500	107,800
the Netherlands	81,600	75,300
France	78,000	76,800
Germany	48,000	47,100
Belgium & Luxembourg	46,600	44,500
Iberia	65,900	63,700
United Kingdom	13,800	15,300
Other European Countries	88,200	63,800
Rest of the world	111,200	115,200
total	641,800	609,500