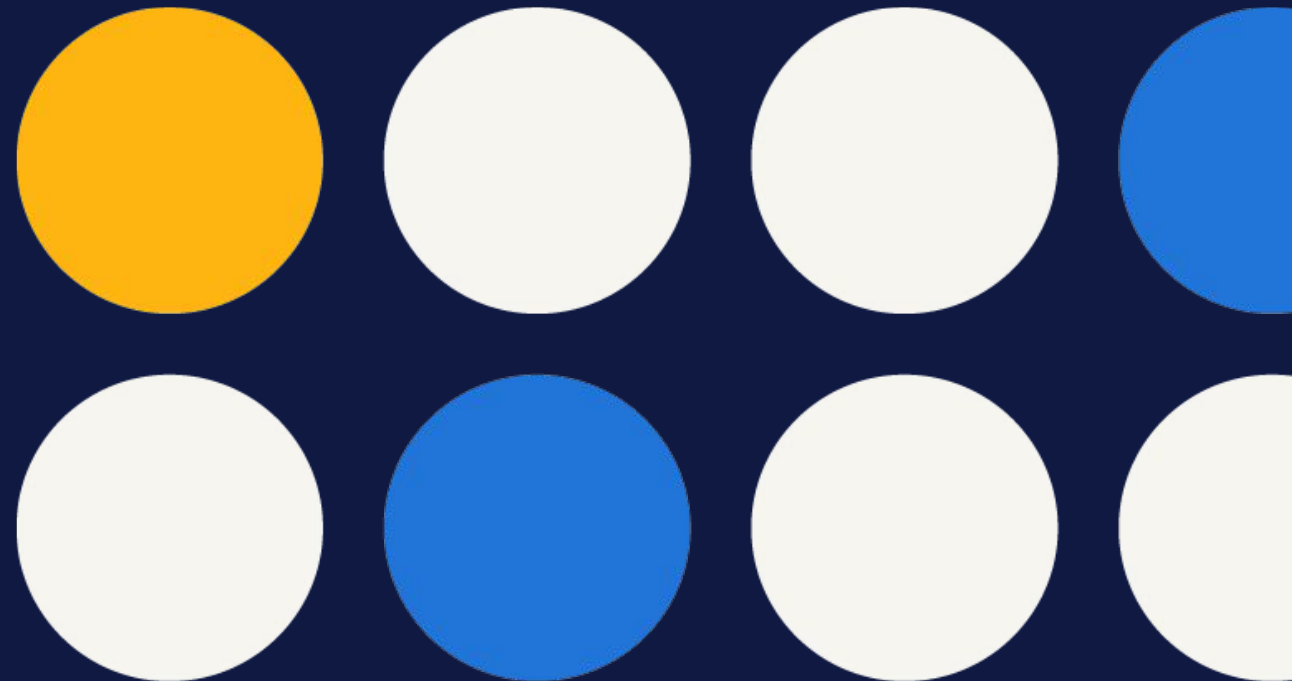


Q3 results digital strategy in full swing.

Randstad analyst breakfast

Jacques van den Broek, CEO
Henry Schirmer, CFO

Randstad N.V.
24 October 2018



financial
results

& outlook.



Q3 2018 further EBITA margin progression.



mixed growth,
strong conversion

organic growth 2.7%

EBITA € 299m

EBITA margin 5.0%



growth drivers

professionals up 6%

perm up 13%

NAM and ROW accelerating



digital strategy in full
swing



Q3 2018 delivering on operational leverage.



Q3 performance

€ million	Q3 '18	Q3 '17	% org.
revenue	6,006	5,872	3%
gross profit	1,191	1,178	2%
gross margin	19.8%	20.1%	
operating expenses*	892	891	1%
opex %	14.9%	15.2%	
EBITA*	299	287	5%
EBITA margin*	5.0%	4.9%	



Q3 highlights

- solid revenue growth
- EBITA margin up 10bp YoY
- agile opex steering (+1% YoY)



* before integration costs & one-offs

Q3 2018 gross margin: underlying stable - impacted by mix.

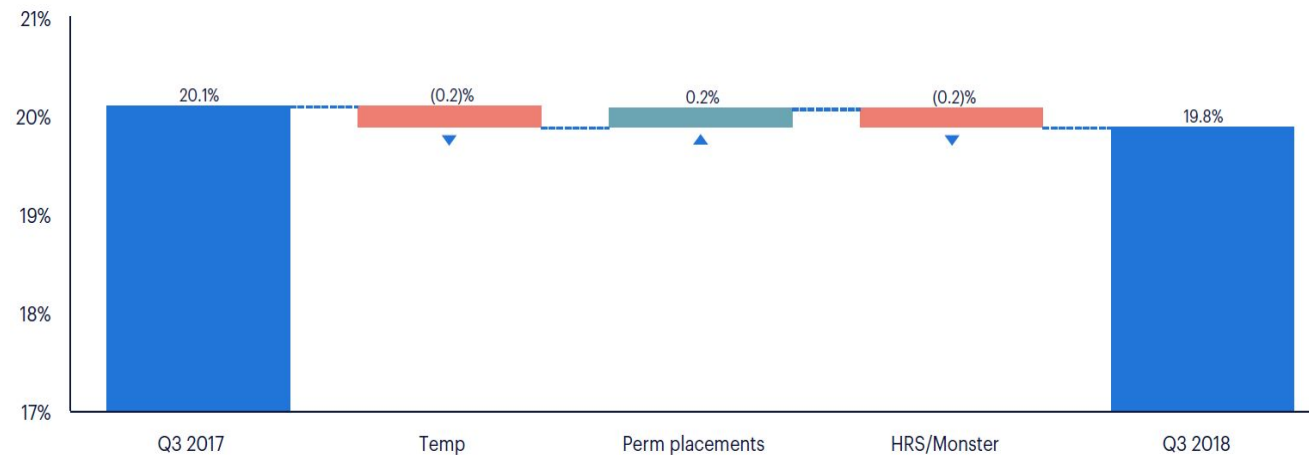


Q3 gross margin development YoY



Q3 highlights

- temp margin down 20bp: mix/price -10bp, CICE -10bp
- perm fees grew 13% YoY organically, adding 20bp
- HRS/Monster impact -20bp, driven primarily by Monster



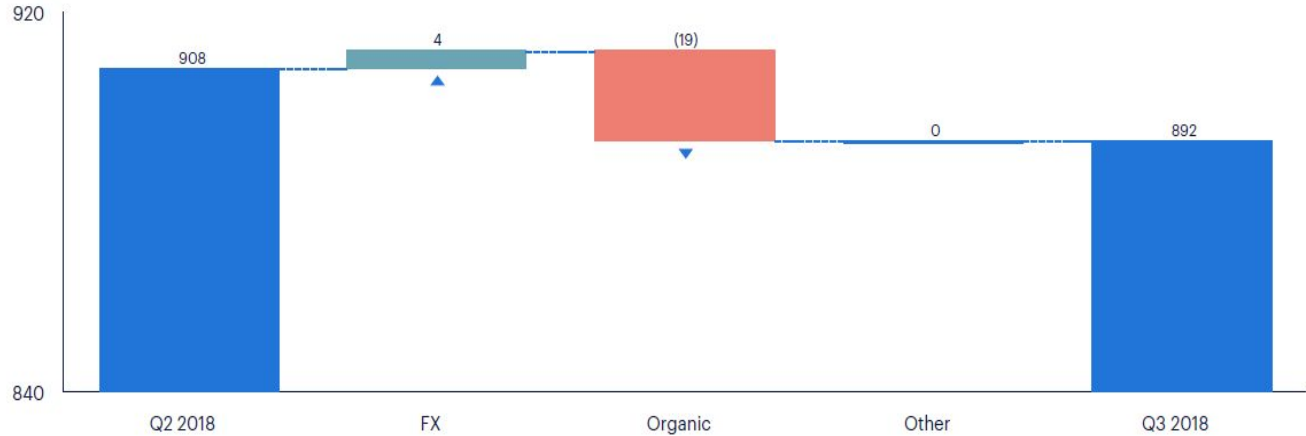
agile cost management in Q3.



Q3 sequential opex bridge



Q3 cost management



- organic opex decreased 2% vs. Q2 (+1% YoY)
- productivity (GP/FTE) stable
- on track to deliver cost savings program

resilient free cash flow and balance sheet.



improved free cash flow YoY

- FCF € 220m (+24% vs. Q3 2017)
 - WC improvement € 35m YoY
 - DSO 54, up 1.5 days due to mix effects
-



strong balance sheet

- net debt € 1,419m
 - special dividend € 126m paid in Q3
 - leverage ratio 1.2 (Q3 2017: 1.4)
-

conclusion and outlook: driving for profitable growth.



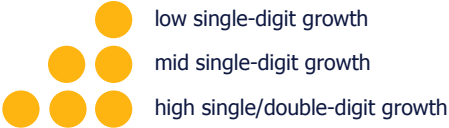
Q3 conclusion and outlook

- EBITA margin up, strong FCF conversion
- digital strategy well underway
- confirming FY 2018 EBITA margin outlook

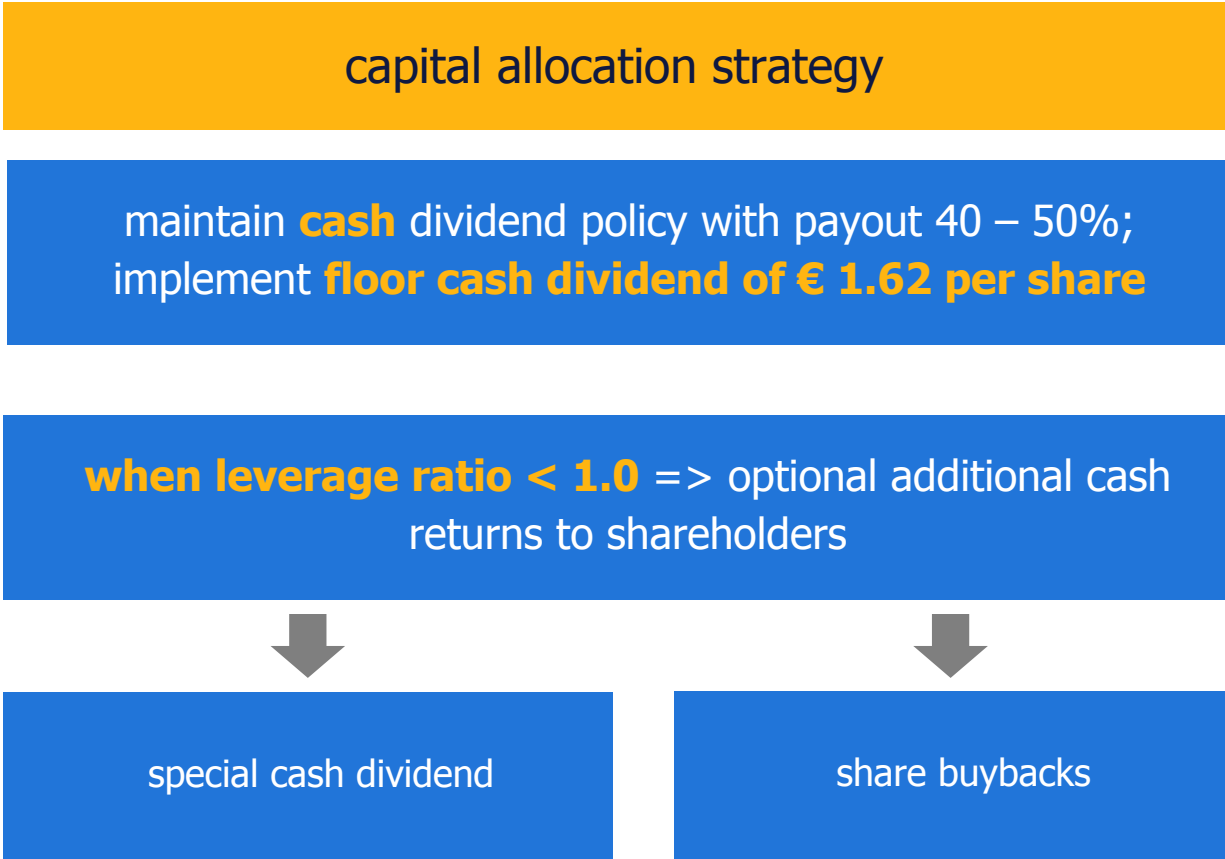


September and October trends in line with Q3

NAM	● ●
NL	● ●
FR	
GER	
BEL	●
IBE	●
IT	● ●
RoE	●
RoW	● ● ●
GLO	●



capital allocation strategy.



digital strategy

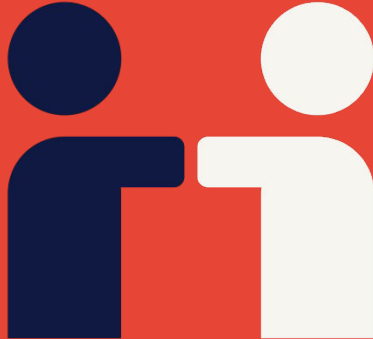


in full swing.

tech is easy, change is hard.



drive
business
results

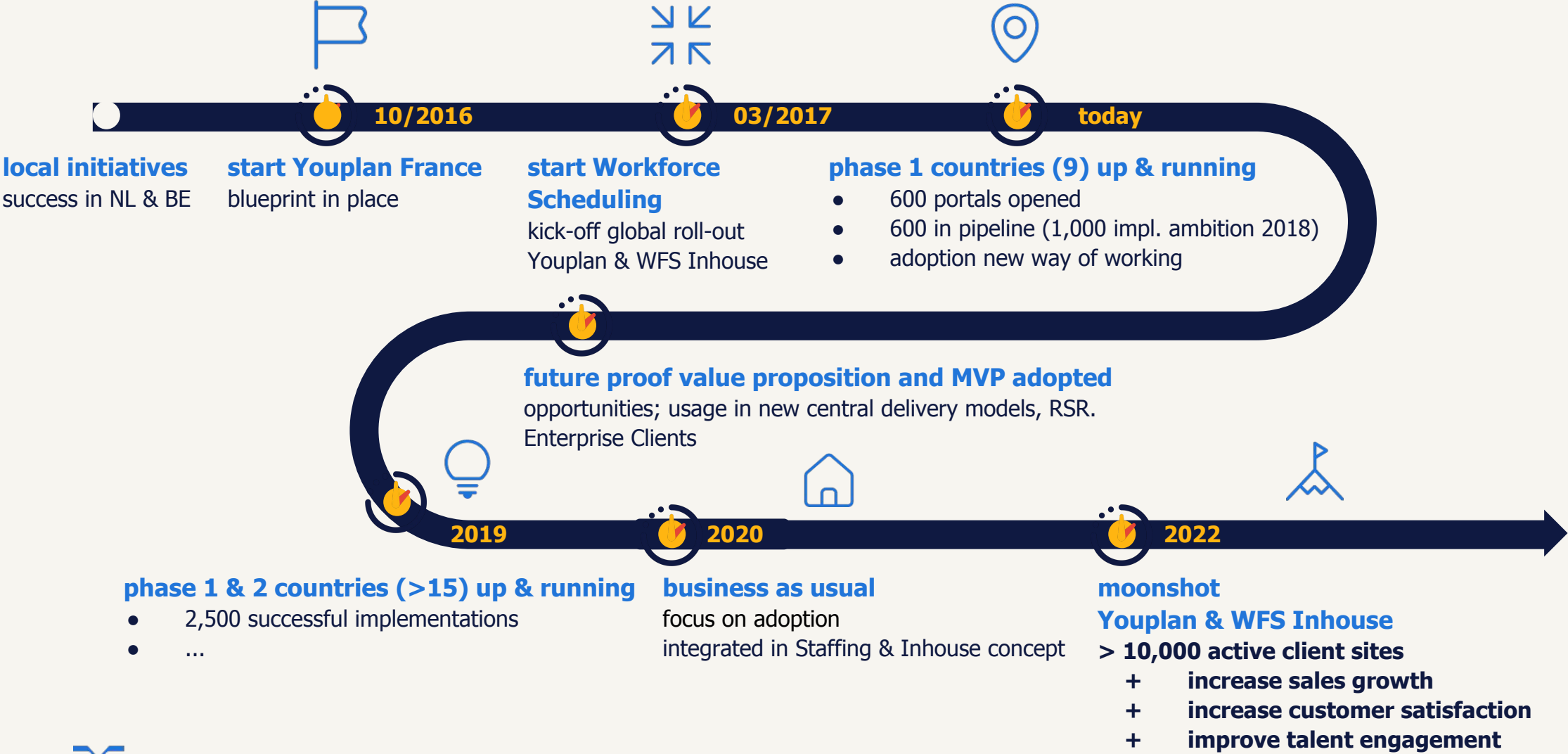


strengthen
digital
foundation



learn
how to
change

the workforce scheduling journey.



today's facts of workforce scheduling.

> 600

<i># of implementations October YTD</i>	<ul style="list-style-type: none">• 1 country in Oct 2016 → 9 countries now• ready to scale: 50 new implementations p. week• ambition FY 2018: 1,000 implementations
---	--



20%

<i>decrease in turnover of temp workers</i>	<ul style="list-style-type: none">• better communication with clients and workers• less training and recruiting costs
---	--



5%

<i>fill rate increase</i>	<ul style="list-style-type: none">• decrease in idle time• lock-in strategy in place• increase of share of wallet
---------------------------	---



US WFS sites outperform non-WFS sites.



~20% presence
of total client onsites



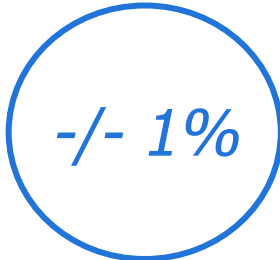
September YTD

US inhouse: KPI's WFS vs. Non WFS

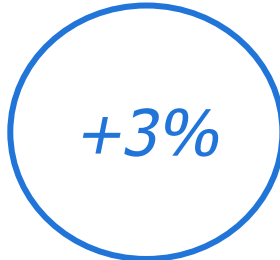
revenue growth pwd YoY



weekly avg. pool churn



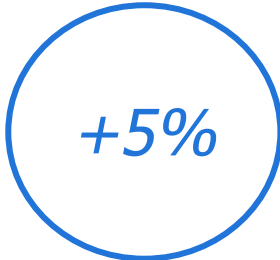
weekly avg. GP/FTE growth



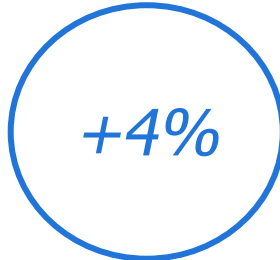
GP growth pwd YoY



monthly avg. fill rate

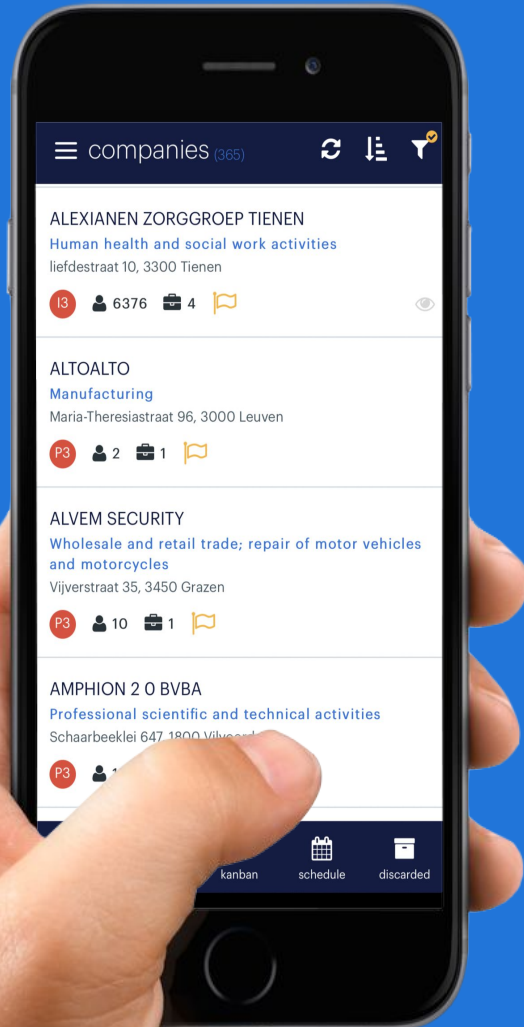


hours growth





Signal - data-driven sales.



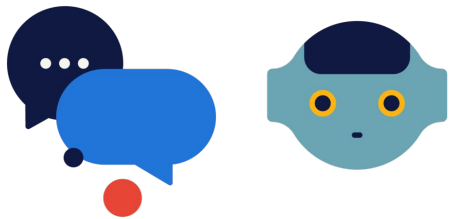
- enables consultants to find existing and prospect clients via web and mobile, ranked by 'buying signals'
- consultants plan & track visits via built-in scheduling and route mapping
- enables better sales and increases productivity via faster onboarding, better data and more insights
- implementations in 4 countries, scaling to 9 in next 6 months

talent engagement: our main initiatives.



vida

Video interviewing and digital assessment tool that enables our talents to engage with us when and how they prefer. Implementing in 21 countries.



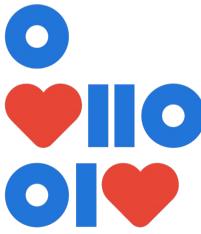
dialogues

Livechat direct interaction with candidates and clients to increase conversions and connection with our passive candidates.
Various chatbot pilots via our Randstad Innovation Fund to engage actively with our candidates. Implementing in 12 countries.



monster

By integrating our technologies we are able to build a more robust candidate channel and improve the candidate journey as well as the consultants' productivity.
Presence in all key countries; focus acceleration on operating companies in 7 major countries & Randstad Sourceright



our global IT strategy combines local strengths with global scale and synergies.

key IT principles:

- global policies, standards and contracts defined
- each country responsible for IT
- combination of local and global solutions is determined by local business needs

channels

(web, mobile, phone, chat, email etc)

mid & front-office (CRM, ATS, timesheets etc)

back-office

(payroll, billing, finance, HR etc)

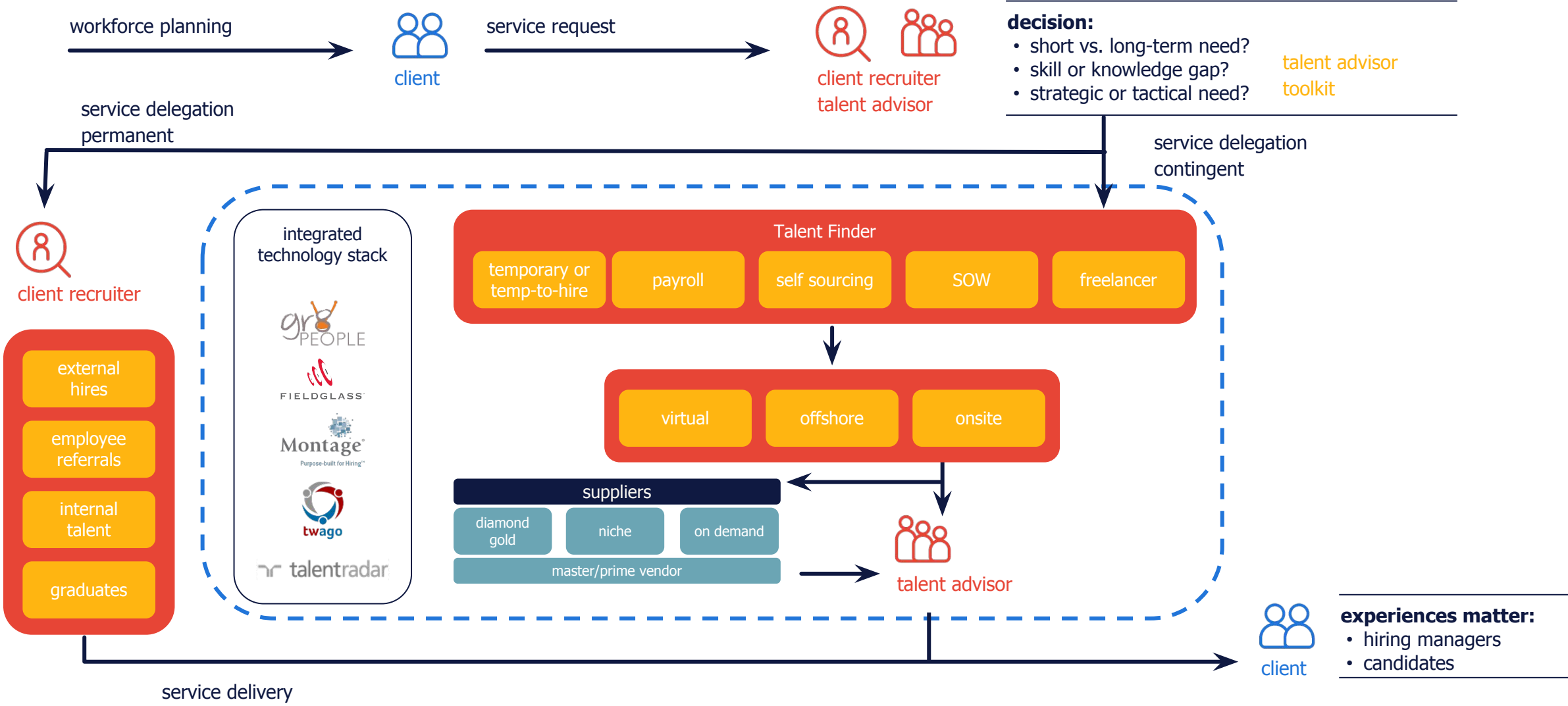
data & reporting (master data, APIs, data lakes etc)

infrastructure

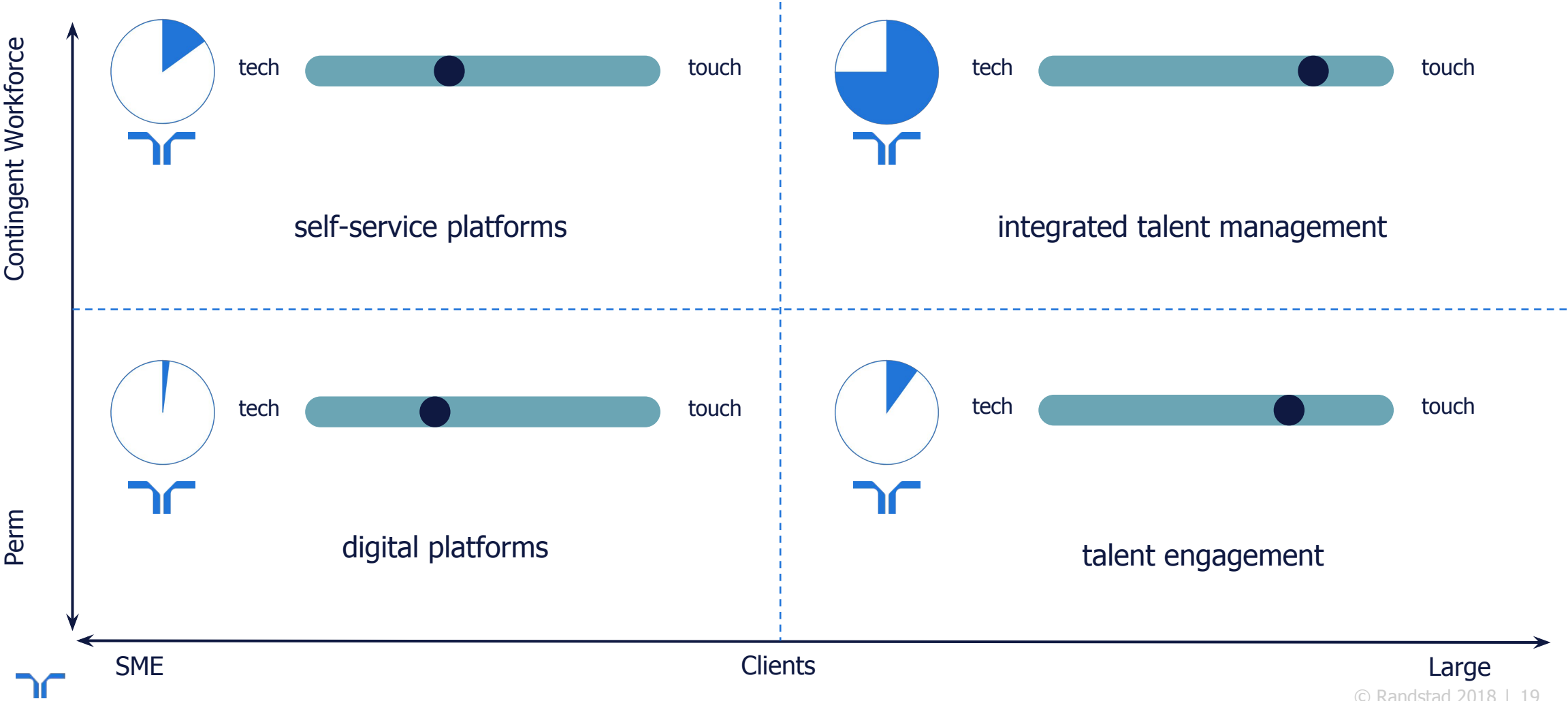
(data centers, network, PCs etc)



total workforce integrated vision: talent delivery model.



tech as a differentiator: higher barriers to entry, favoring big players in a fragmented market where scale and proximity matter.



questions



& answers.

randstad

human forward.

