

annual general meeting of shareholders

supervisory board
executive board

Randstad Holding nv
March 30, 2017



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.

1. opening

2. review 2016

3. discharge of liability

4. shares

5. remuneration policy

6. external auditor

7. any other business

8. closing

1. opening

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review 2016 operational performance & strategy

FY 2016: improving momentum in Europe

Revenue of € 20,684 million; organic growth + 4.7% (vs. 6.2% last year)

Gross profit up 4%; gross margin up 30 bp to 19.0% (stable YoY excl. Monster)

Perm fees up 7%, now 10.6% of gross profit (vs. 10.6% last year)

Underlying EBITA of € 947 million (+ 7% organically); Organic FY ICR of 41%

FY 2016 EBITA margin of 4.6% (+10 bp YoY)

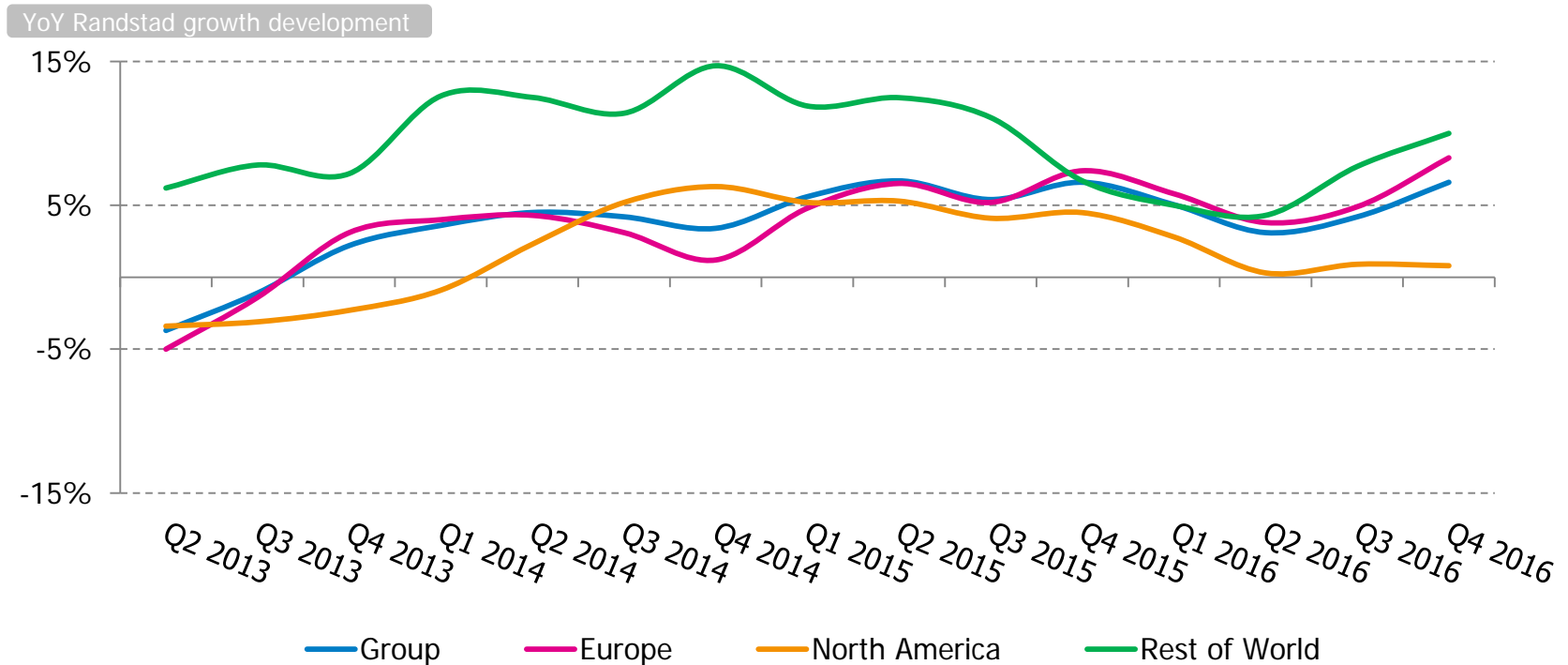
Monster: strategic cooperation initiated; successful offer on Ausy and BMC

Underlying diluted EPS to € 3.75 per ordinary share (LY: € 3.32)

Proposed cash only dividend of € 1.89 (up 13%) a record high; 50% payout

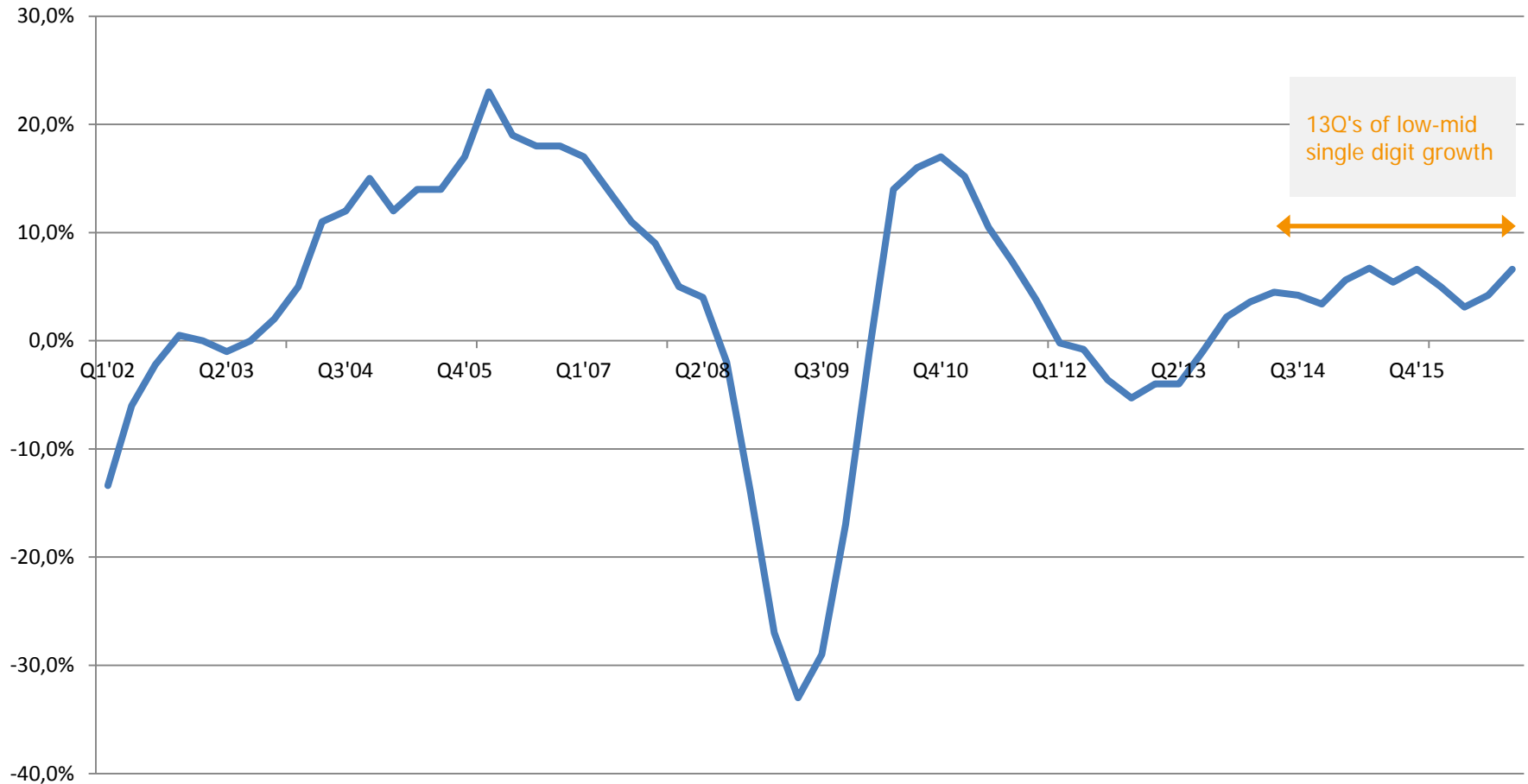
DSO at 51.4 (from 50.7 in Q4 2015); comfortable leverage ratio of 0.8 compared to 0.2 last year

strong finish to 2016



- improving growth in many European countries during 2H 2016; France, Germany, Italy & Iberia accelerating ahead of market in Q4
- stable growth trends in North America throughout 2016; Canada outperforming market
- strong second half growth shown in RoW

organic growth in a historical context



- consistent mid-single digit topline growth
- several European markets still 10-15% below peak
- opportunity in RoW remains

North America: stable growth trends

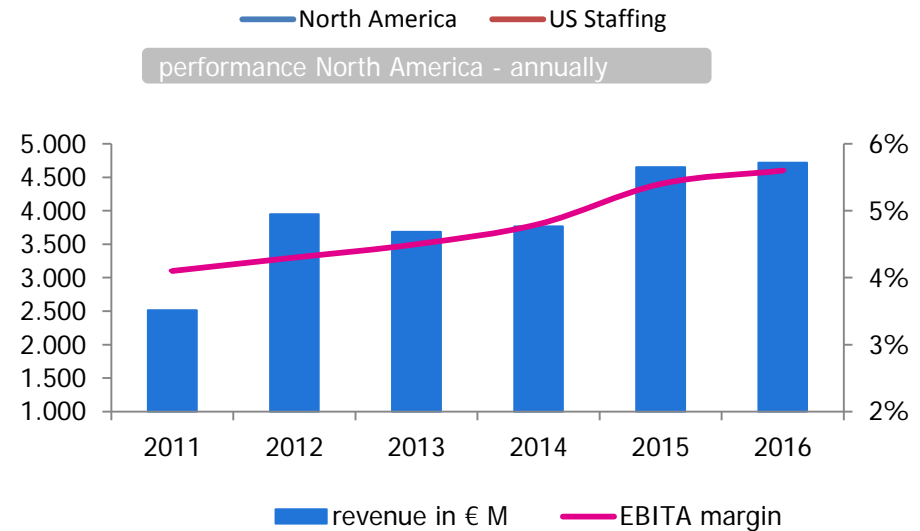
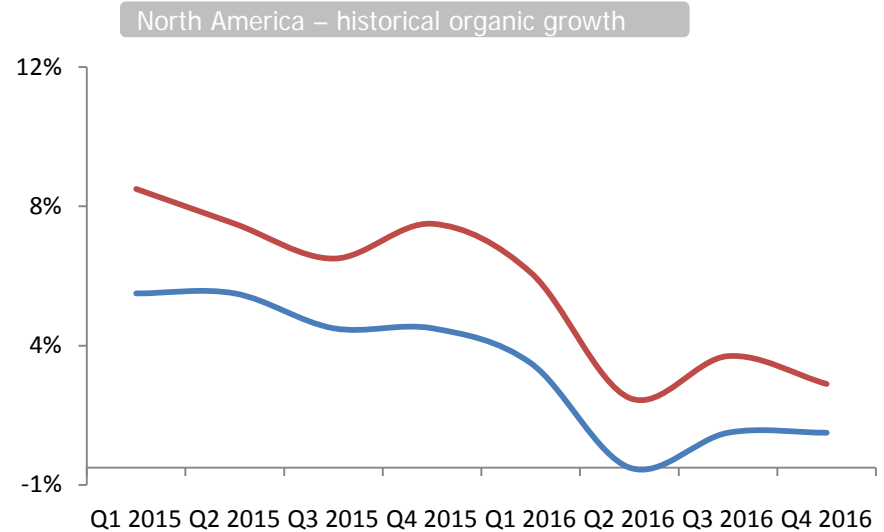
- revenue +1% (2015: + 5%)
 - perm up 1% (2015: + 10%)
 - GP up 2% (2015: + 9%)

- US Staffing & Inhouse, revenue growth + 3% (2015: +7%)

- US Professionals, revenue growth -/- 2 % (2015: + 1%)

- Canada: revenue up 3 % (2015: -/-2%)
 - ahead of a challenging market

- EBITA margin up to 5.6% from 5.4% LY



the Netherlands: solid EBITA margin performance

revenue at + 3% (2015: +11%)

- focus on profitability
- impact of lost payrolling contract
- perm growth at + 8%

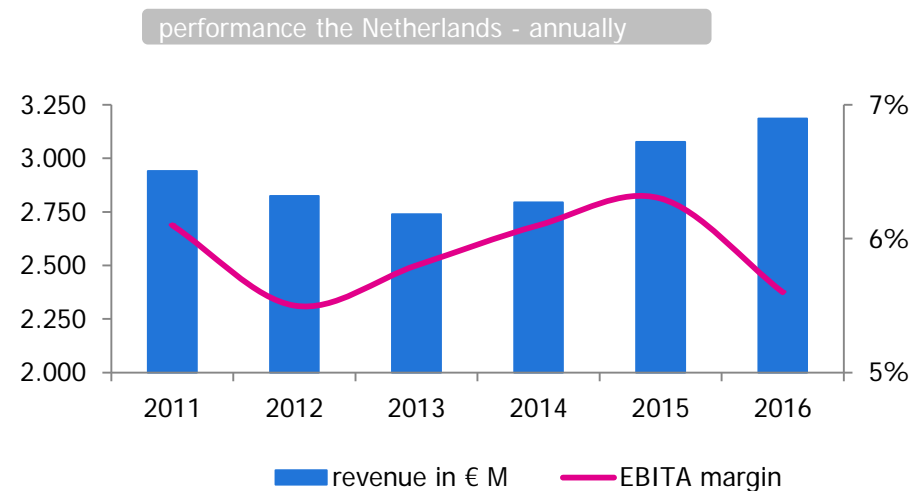
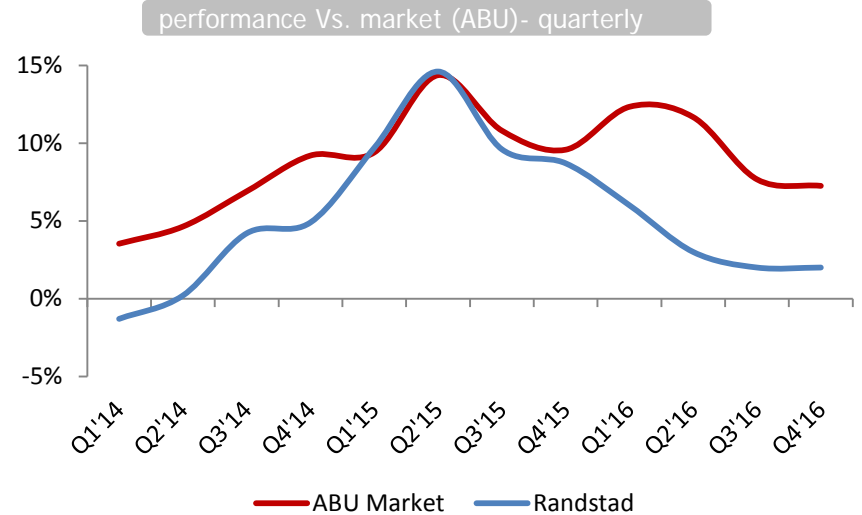
combined Staffing & Inhouse businesses

- up 3% YoY

Professionals

- flat YoY

EBITA margin at 5.7% vs. 6.3% LY

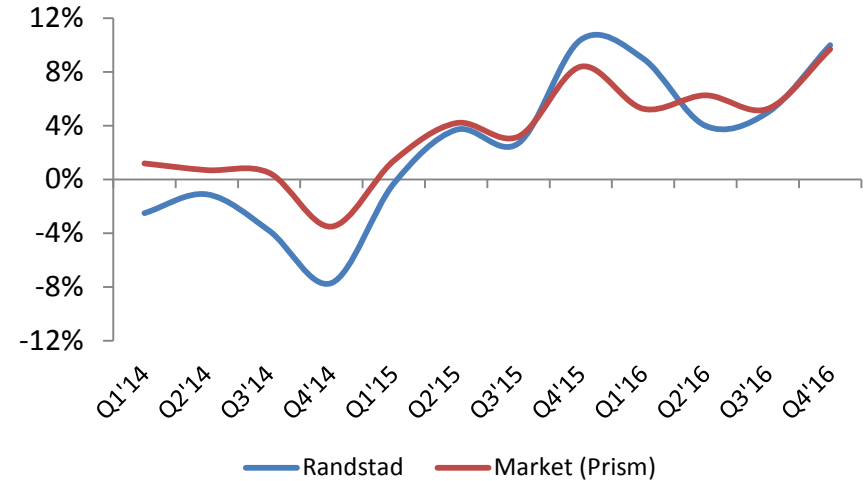


France: accelerating topline through 2016

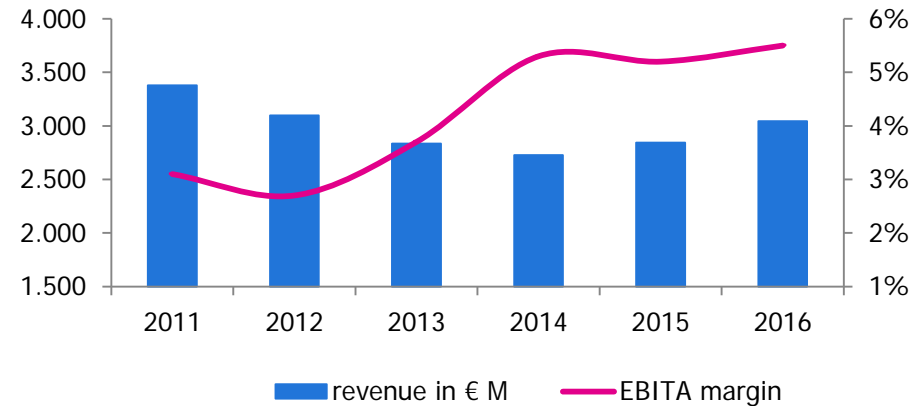
- revenue up 7% YoY (2015: + 4%)
 - combined Staffing & Inhouse at + 6% YoY
 - Professionals at + 12% YoY
 - perm grew 29%

- EBITA margin at 5.5% vs. 5.2% last year
 - improving profitability

performance Vs. market (Prism)- quarterly



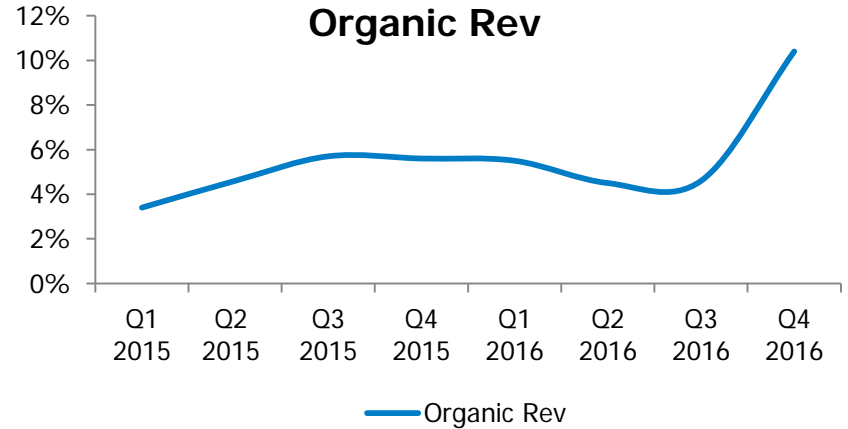
performance France – annually



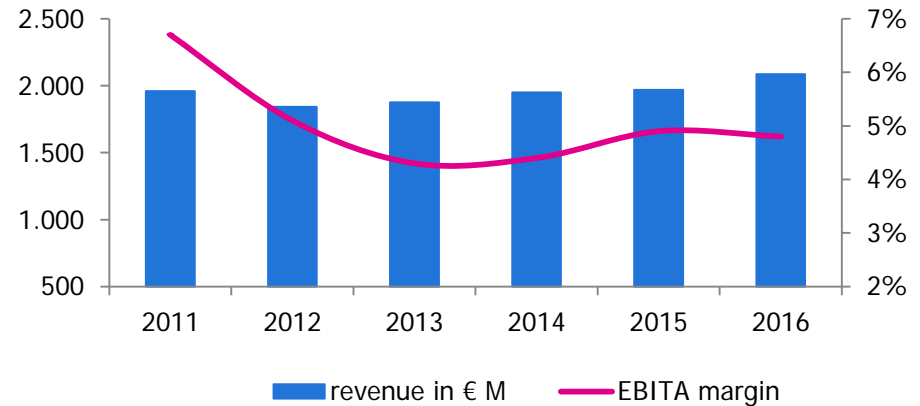
Germany: strong topline growth through 2016

- revenue growth + 6% YoY (2015: flat)
 - perm growth of +8%
- gross profit up 4%
 - SME outgrowing large clients
- EBITA margin at 4.8% vs. 4.9% LY
 - impacted by high sickness rate

EBITA margin performance Germany - quarterly



performance Germany - annually



other countries: strong growth continues

↗ Belgium at + 2%

- record profitability

↗ Iberia + 7%

- market leader
- strong growth on higher margins

↗ UK + 1% YoY

- improving profitability
- limited impact of Brexit

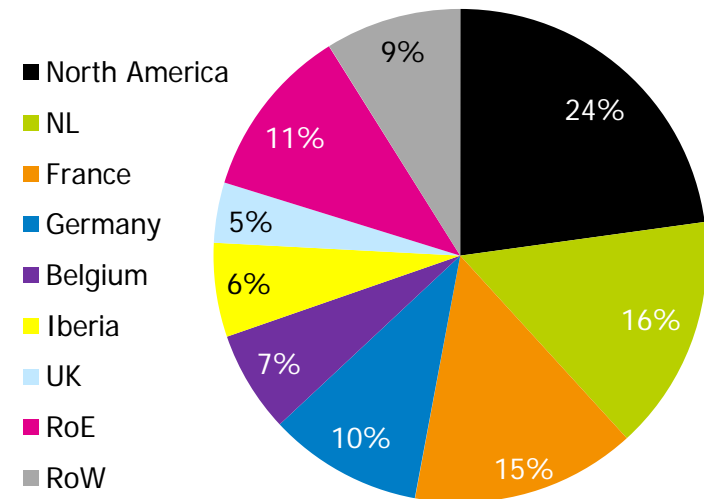
↗ Italy + 16%

- Obiettivo Lavoro integration on track

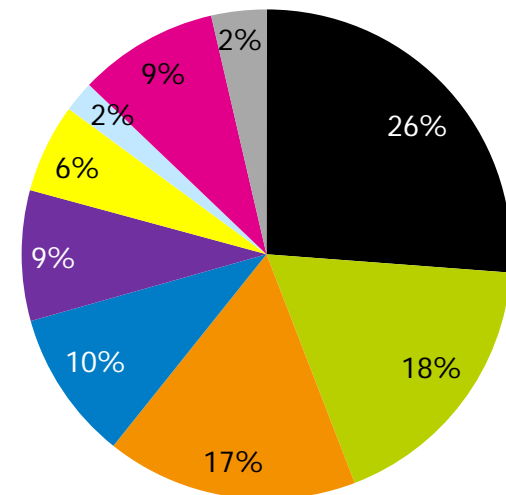
↗ Emerging Markets

- double digit growth in Latin America
- Japan growth at + 5%, Careo performing well
- Australia solid growth and improving profitability

revenue breakdown by geographical areas



EBITA breakdown



2016 progress

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

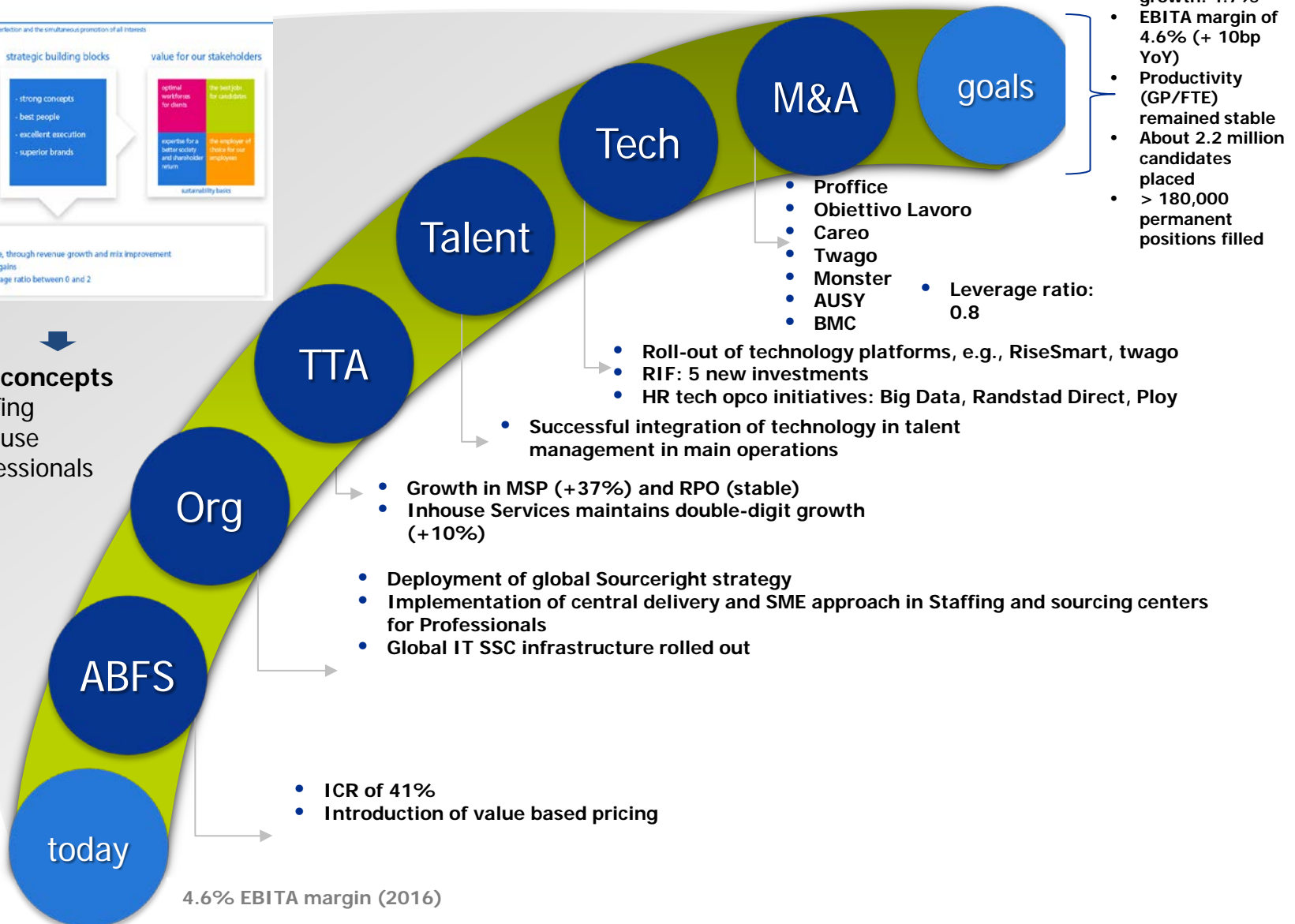
- | | |
|---|--|
| netted workforce for clients | no best jobs for candidates |
| expertise for a better society and shareholder return | the employee of choice for our employees |
- sustainability basis

financial targets

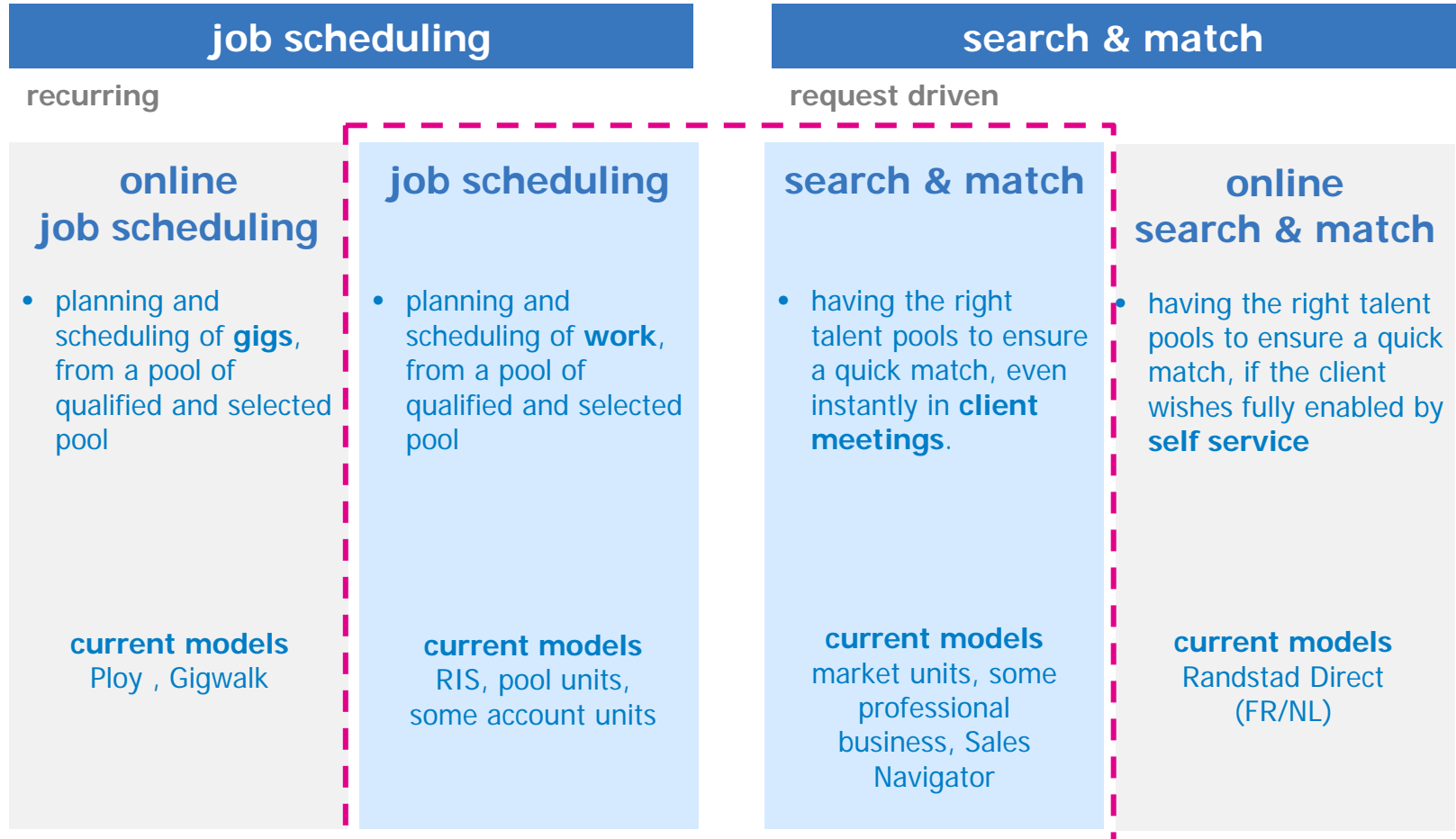
- EBITA margin of 5% to 6% over time, through revenue growth and mix improvement
- continuous profitable market share gains
- sound financial position with a leverage ratio between 0 and 2

strong concepts

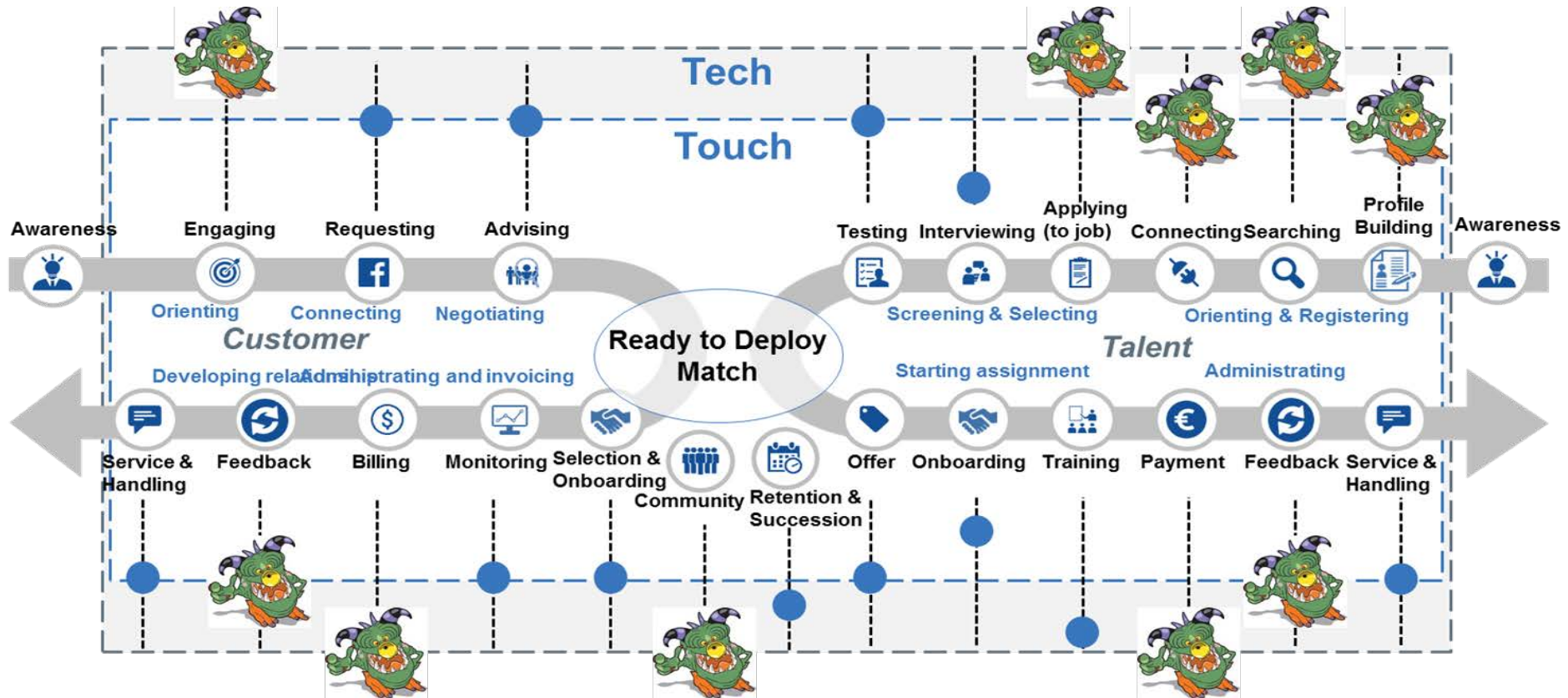
- Staffing
- Inhouse
- Professionals
- HRS



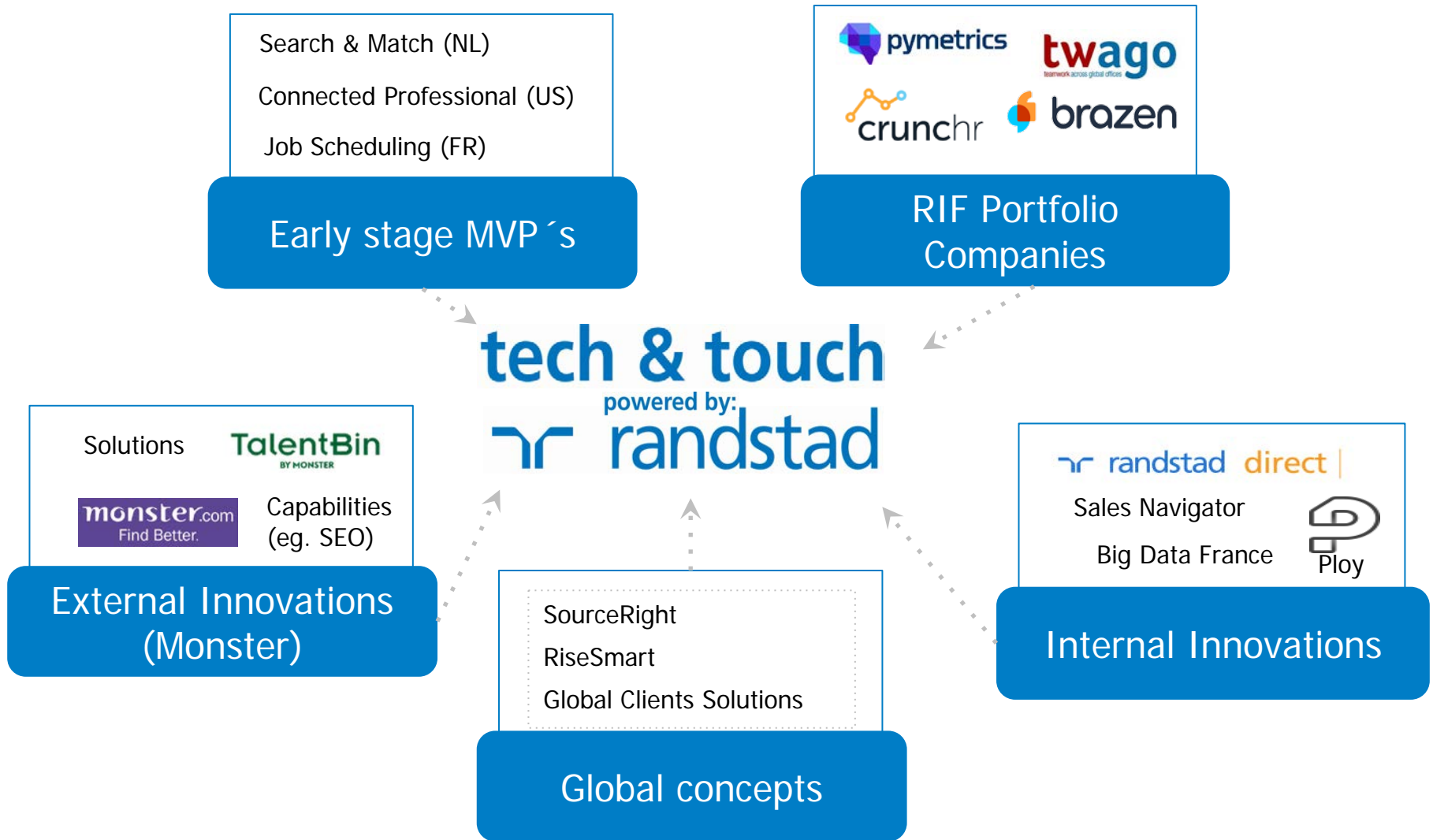
current touch-focused models can be greatly improved



how does Monster accelerate and improve Randstad



we are connecting the initiatives and scale up successful concepts fast around the world



Digital change is much more than technology

*When Digital becomes
Human...*



role of Randstad in the future of work

as the most agile
integrator of **tech**

supporting a core human **touch**

we are the trusted human partner
in the technology driven
world of talent



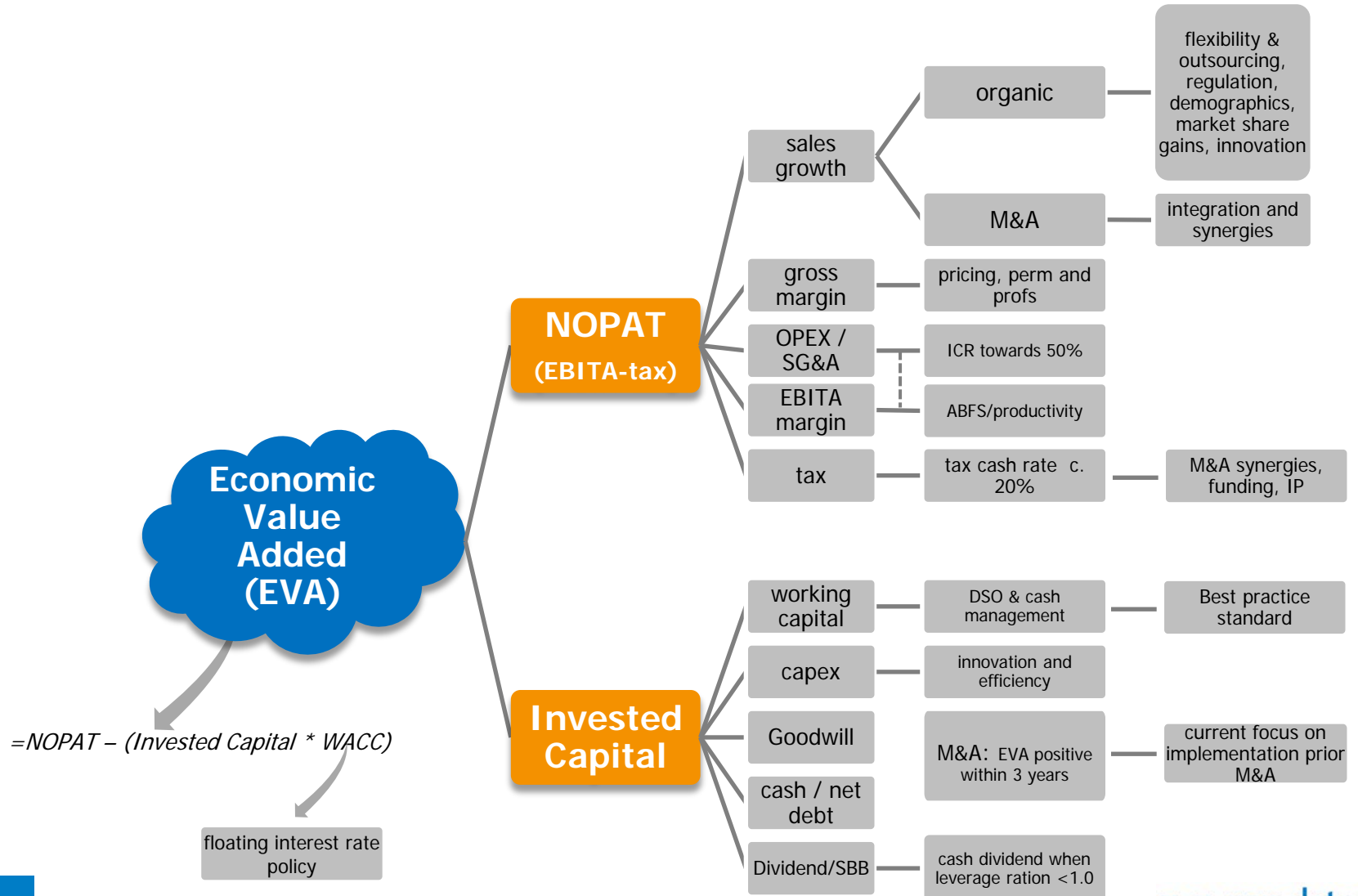
tech & touch

review 2016 financial results

long term value creation

return on invested capital 2016: 15.9%

increasing our returns by optimizing ICR/RR, portfolio mix, DSO & cash, M&A & synergies and market outperformance



key criteria when considering an aquisition

randstad perspective



1 strengthens our strategic position

- create base for growth in existing markets (support global clients, high growth markets)
- professionals is the preferred growth segment (profitability and market growth)
- increases our market share ("Big is beautiful", density of network is critical)
- create an entry point into new markets through diversification
- acquire capabilities in outsourcing/SOW space
- minimum size of € 100M revenue (or at least 80 FTE's when in small markets)

2 provides significant value creation

- DCF valuation for entire business cycle (different scenarios to be considered); Considerable cost synergies give best safety net in worst case scenario
- cost synergies identified and valued (including the costs to realize and possible loss of revenue)
- tax and revenue synergies to be treated separately from valuation
- EVA positive within 3 years, including post-deal tracking
- agreed price negotiation framework before first indicative offer

3 manageability

- management selected and approved integration plan prior to closing the transaction
- we have sufficient understanding of the target and its business environment (Due diligence with the involvement of all disciplines and business people)
- OPCO concept needs to be proven prior considering local acquisitions
- OPCO management able to deal with acquisition and integration and the target has a good cultural fit and strong management

successful track record of bolt-on acquisitions

Randstad's M&A criteria

- a number of successful acquisitions have been made on the basis of a disciplined M&A approach
- Randstad focuses its M&A efforts on targets with a minimum size of EUR 100m in revenue, and consistently assesses opportunities on the basis of: 1) strategic fit, 2) value creation, and 3) manageability characteristics => this defines What we pursue and Why we pursue it
- Randstad carefully considers How to conduct the M&A process (friendly processes, central coordination by Randstad's dedicated M&A team, discipline on price, thorough integration planning, continuous evaluation of past deals), and When to do the deal to safeguard the success of our M&A activity

Fujistaff Holdings



Japan – Closed Oktober 2010

- significantly increased our market position in the Japanese HR services market.
- Randstad was previously generating revenues of €13m (FY2009) through its existing activities in Japan
- annual revenues of € 461 million and EBITDA margin 3.9% (FY20[09])
- acquisition price of c. ¥19.1bn

SFN



North America – Closed September 2011

- value creation through:
 - capturing growth in NA through leading positions in key segments (inc. enhancing our professionals business and taking on the sourceright brand)
 - improved geographic coverage
 - significant cross-selling opportunities
 - efficiency improvements and office optimizations [\$30m of annual run rate pre-tax cost synergies plus \$10m of recurring tax savings]
- annual revenues of \$2,053m (FY2010)
- acquisition price of c. \$771m
- immediately accretive to Randstad's earnings per share

USG People – select staffing activities



Europe – Closed April 2013

- increased our market position in Spain, Italy, Poland, Switzerland, Luxembourg
- provided an entrance into the Austrian market
- value creation through:
 - significant cross-selling opportunities
 - efficiency improvements and office optimizations
- annual revenues of €434m (FY2012)
- acquisition price of c. €20m
- immediately accretive to Randstad's earnings per share

overview M&A activity

Aim to be top 3 in local staffing market

Strengthen professional staffing business

Accelerate digital strategy

Progress towards EVA after 3 years

Company	Aim to be top 3 in local staffing market	Strengthen professional staffing business	Accelerate digital strategy	Progress towards EVA after 3 years
 Proffice	✓			in line
 Obiettivo Lavoro	✓			ahead
 cafeo	✓	✓		ahead
 twago			✓	in line
MONSTER			✓	underway
 BMC advies		✓		*underway
AUSY		✓		*underway

*Acquisition completed in early 2017

income statement 2016

€ million	FY '16	FY '15	% Org.
revenue	20,684	19,219	+5%
gross profit	3,934	3,595	+4%
<i>gross margin</i>	<i>19.0%</i>	<i>18.7%</i>	
operating expenses*	2,987	2,733	+3%
<i>opex margin</i>	<i>14.4%</i>	<i>14.2%</i>	
EBITA*	947	862	+7%
<i>EBITA margin*</i>	<i>4.6%</i>	<i>4.5%</i>	
integration costs & one-offs	55	30	
reported EBITA	892	832	
amortization & impairment	-/- 101	-/- 127	
net finance costs & associates	-/- 5	-/- 22	
income before taxes	786	682	
tax	-/- 198	-/- 164	
net income	588	519	
<i>adjusted*** net income**</i>	689	608	
<i>diluted EPS***</i>	3.75	3.32	

* 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	FY 2016	FY 2015	*% <i>organic</i>
revenue	12,065	11,186	3%
EBITA	567	515	0%
<i>EBITA margin</i>	<i>4.7%</i>	<i>4.6%</i>	

Inhouse Services in € M	FY 2016	FY 2015	*% <i>organic</i>
revenue	4,641	4,216	10%
EBITA	241	213	25%
<i>EBITA margin</i>	<i>5.2%</i>	<i>5.0%</i>	

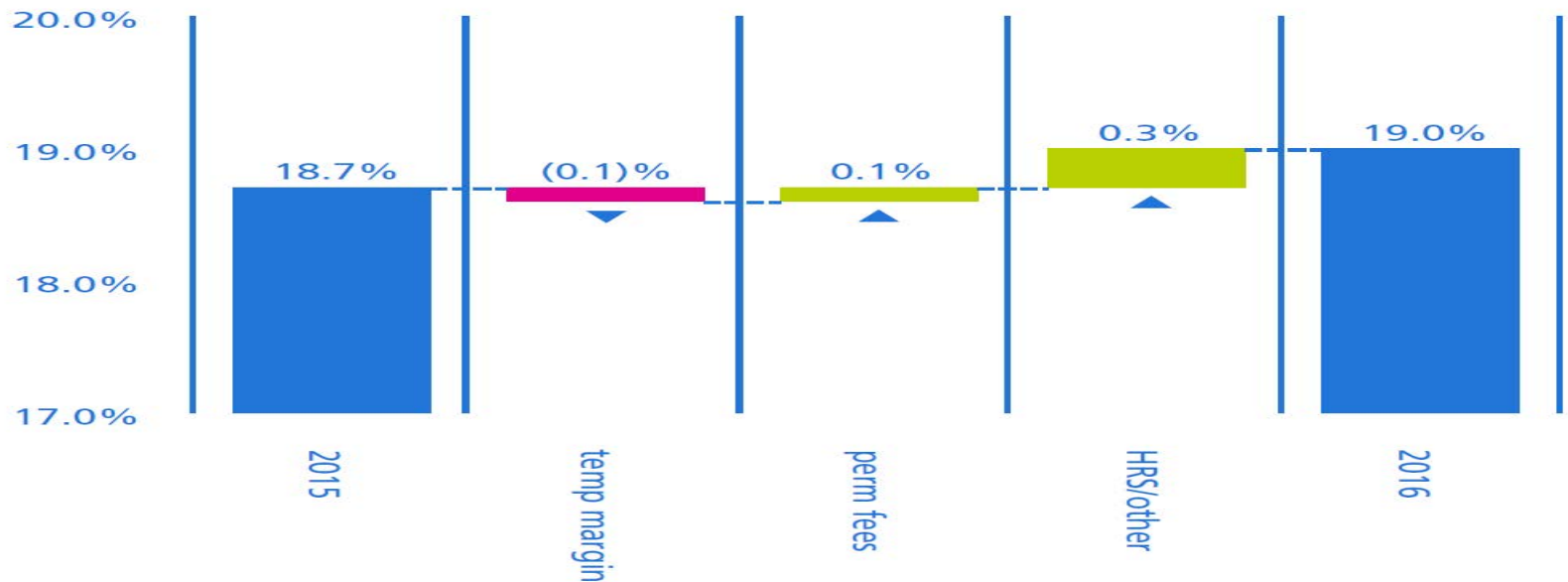
Professionals in € M	FY 2016	FY 2015	*% <i>organic</i>
revenue	3,978	3,816	3%
EBITA	208	196	7%
<i>EBITA margin</i>	<i>5.2%</i>	<i>5.1%</i>	

* Organic change in revenue is per working day.

gross margin bridge

YoY gross margin development

Change in gross margin



- temp margin down 10bp as mix effects offset a more competitive market
- perm placements +10 bp and HRS + 30bp driven by the Monster acquisition

- perm fees were 10.6% of GP (vs 10.6% LY)
 - organic growth of 7% YoY

operating expenses bridge

YoY OPEX development in € M

Change in operating expenses

in millions of €



- favourable FX impact
- FTE growth in European growth markets
- continued focus on cost control

net debt at € 793M

leverage ratio at 0.8

€ million	Q4, 2016	Q4, 2015
goodwill and acquisition-related intangible assets	3,286	2,603
operating working capital (OWC)	712	621
net tax assets	480	517
all other assets and liabilities*	456	293
invested capital	4,934	4,035
total equity	4,141	3,862
net debt	793	173
invested capital	4,934	4,035
<i>DSO, Days Sales Outstanding, moving average</i>	51.4	50.7
<i>working capital as % of revenue over last 12 months</i>	3.4%	3.2%
<i>leverage ratio</i>	0.8	0.2
<i>return on invested capital**</i>	15.9%	18.8%

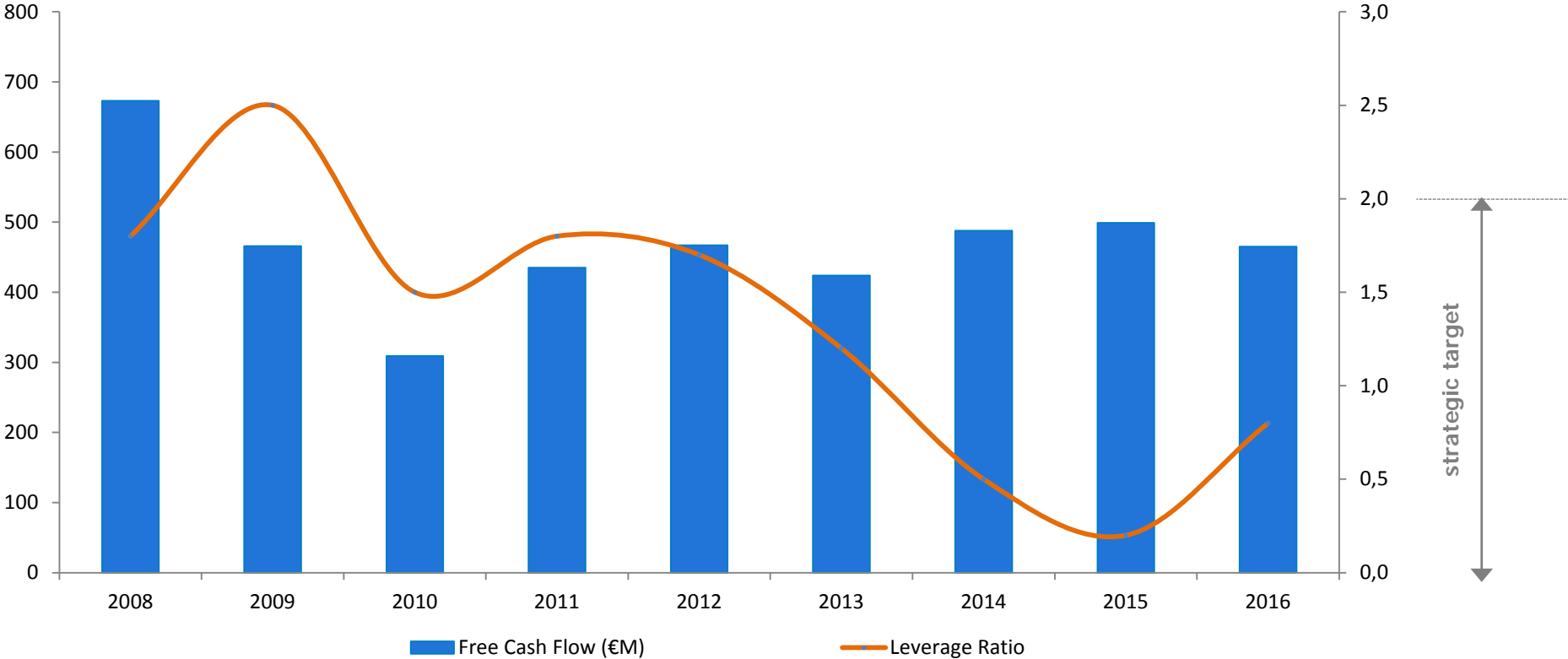
* Starting Q1 2016, we have slightly changed our presentation in this table. In prior years software was included in "goodwill and intangible assets". Software is now included in "Other assets/(liabilities)" resulting in "Goodwill and acquisition-related intangible assets", representing items resulting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

Q4'16 free cash flow

€ million	FY '16	FY '15
EBITDA	966	897
change in OWC	-/- 170	-/- 122
income taxes	-/- 160	-/- 105
provisions & employee benefit obl.	-	-/- 32
net capital expenditures	-/- 94	-/- 63
other items	-/- 77	-/- 71
financial assets	-/- 1	-/- 4
free cash flow	465	499
net acquisitions/disposals/buyouts	-/- 709	-/- 84
net issue/purchase of ordinary shares	-/- 36	-/- 54
net finance costs	-/- 12	-/- 9
dividend paid	-/- 320	-/- 94
translation and other items	-/- 9	-/- 9
Net decrease/(increase) of net debt	-/- 620	249

solid free cash flow & conservative leverage ratio



- free cash flow adjusted for receipt and payment of a liability of € 131 million to the Dutch tax authority

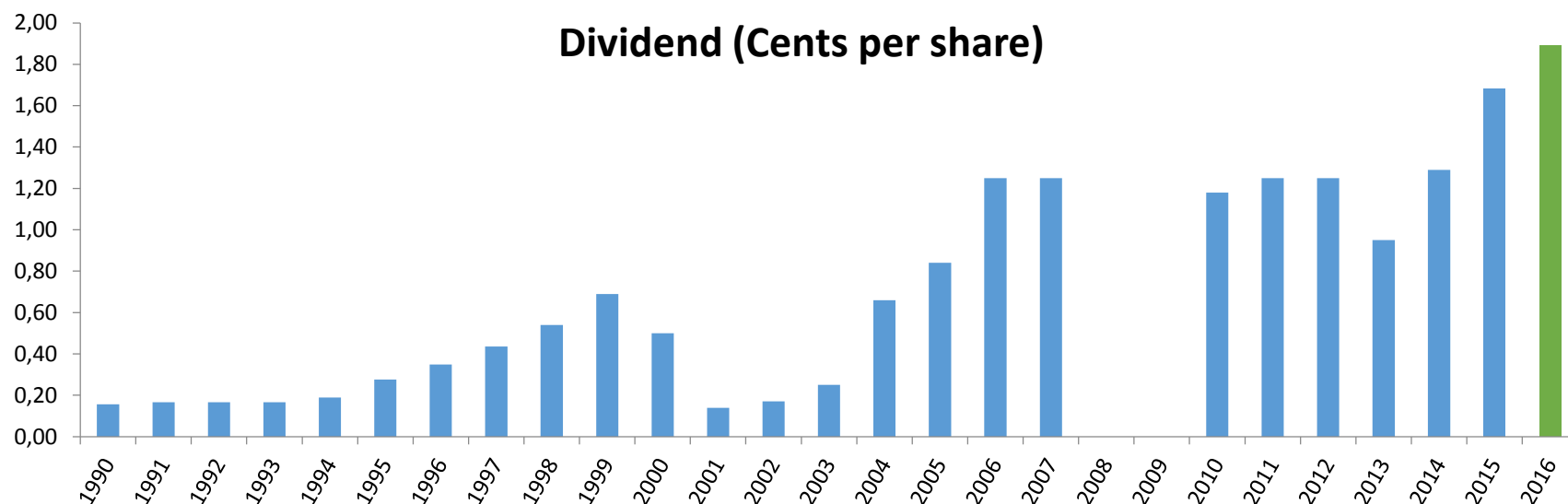
conservative financial policy

- target leverage ratio between 0 and 2, with max leverage ratio of 3.5x EBITDA
- floating rate policy as a natural hedge against the development in operational results, and benefit from yield
- financing in place for expected long-term needs
- using our balance sheet to finance organic growth and acquisitions

dividend proposal: a record high

proposed dividend payment over 2016

- payment of € 1.89 per ordinary share (+ 13% YoY)
- payout of 50% of adjusted net profit, reflecting strong financial position
- full cash dividend



we expect M&A activity to be limited in 2017

- focus on improving our economic returns from prior acquisitions

fine-tuned dividend policy

- **amended dividend policy 2017: payout of 40-50% of adjusted EPS**

- leverage ratio < 1.0x: all-cash dividend
- leverage ratio between 1.0x – 2.0x: optional dividend
- leverage ratio between 2.0x – 2.5x: optional dividend with premium on stock dividend
- leverage ratio > 2.5x: stock dividend

anti-dilution measures when financial position allows for it:

- performance share plans
 - optional dividend
-

- **prior dividend policy (since 2013): payout of 40-50% of adjusted EPS**

optional dividend:

- leverage ratio < 2.0x: optional dividend
- leverage ratio < 2.5x: optional dividend with premium on stock dividend
- leverage ratio > 2.5x: stock dividend

anti-dilution measures when financial position allows for it:

- performance share plans
- optional dividend

dividend process and timeline in 2017

- March 30, 2017: approval shareholders in AGM 2016
- April 3, 2017: ex-dividend date
- April 4, 2017: record date
- April 7, 2017: payment of cash dividend

sustainability

integral part of our strategy

- progress 2016:
- **pre-assurance** non-financial data
- again included in the **Dow Jones Sustainability Index**
- process started of updating ambition and strategy
- Executive Board's **LTI 2016-2018 performance targets** relating to sustainability:
 - Clients: Net Promoter Score (NPS)
 - Candidates: impact of initiatives with regard to guiding candidates from unemployment to employment
 - Employees: employee engagement score
 - Society: involvement with key forums
 - Basics: 50% electricity from sustainable sources in 2018

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 

some specific questions

- **labor migration**

- published report 'People to jobs, jobs to people' on labor migration
- local initiatives of helping refugees find a job in the Netherlands, Spain, Germany, Belgium and Sweden

- **living wage candidates**

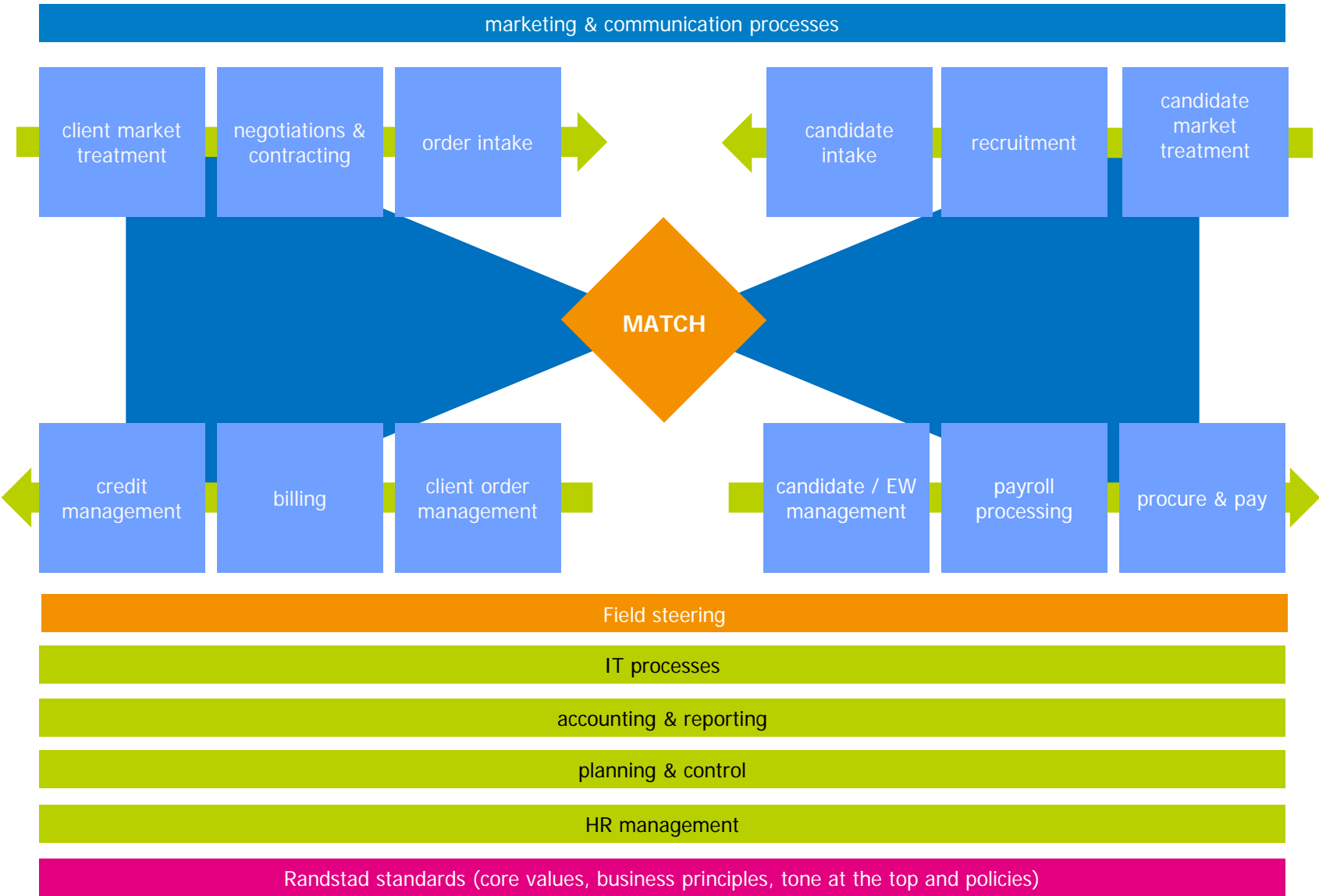
- global HR services industry regulated by the International Labour Organization (ILO)
- defines minimum standards for staffing and recruitment
- Article 11 of ILO Convention 181:

adequate protection for the workers employed by private employment agencies must be ensured in relation to amongst others minimum wage, which is considered one of the fundamental premises of decent work

- **Sustainable Development Goals (SDGs)**

- most impact on Goal 8: 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'.
- integration with our updated strategy coming years

KCF follows our business flow



2. review 2016

Q & A

2. review 2016

2b. application of the remuneration policy in 2016:

- last update remuneration policy approved by the AGM in 2013
- remuneration 2016 in line with approved policy
- extensive remuneration report 2016 on corporate website

2. review 2016

2c. proposal to adopt the financial statements 2016

2. review 2016

2d. explanation of the policy on reserves and dividends

fine-tuned dividend policy

- **amended dividend policy 2017: payout of 40-50% of adjusted EPS**

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- leverage ratio between 1.0x – 2.0x: optional dividend
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anti-dilution measures when financial position allows for it:

- performance share plans
 - optional dividend
-

- **prior dividend policy (since 2013): payout of 40-50% of adjusted EPS**

optional dividend:

- leverage ratio < 2.0x: optional dividend
- leverage ratio < 2.5x: optional dividend with premium on stock dividend
- leverage ratio > 2.5x: stock dividend

anti-dilution measures when financial position allows for it:

- performance share plans
- optional dividend

2. review 2016

2e. proposal to determine the dividend over the financial year 2016

- Dividend on ordinary shares: € 1.89 per share
 - full cash dividend
- Dividend on preference shares B and C: € 12.6M

dividend process and timeline in 2017

- March 30, 2017: approval shareholders in AGM 2016
- April 3, 2017: ex-dividend date
- April 4, 2017: record date
- April 7, 2017: payment of cash dividend

agenda

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3. discharge of liability

3a. discharge of liability of the members of the executive board for the management

3. discharge of liability

3b. discharge of liability of the members of the supervisory board for the supervision of the management

agenda

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4. shares

- 4a. proposal to extend the authority of the executive board to issue shares
- valid for a period of 18 months (September 30, 2018)
 - approval by the supervisory board
 - yearly allocation of performance shares and options not more than 1%
 - yearly maximum authorization of 3% of the issued capital
 - on average over last 5 years: 0.3% issued shares
 - anti-dilution preference shares

4. shares

- 4b. proposal to extend the authority of the executive board to restrict or exclude the pre-emptive right to any issue of shares
- valid for a period of 18 months (September 30, 2018)
 - approval by the supervisory board
 - yearly maximum authorization of 10% of the issued capital

4. shares

- 4c. proposal to authorize the executive board to repurchase ordinary shares
- repurchase ordinary shares up to a maximum of 10% of the issued share capital of ordinary shares.
 - valid for a period of 18 months (September 30, 2018)
 - ordinary shares may be acquired for a price between the nominal value and 110% of the stock market rate

4. shares

4d. proposal to cancel repurchased ordinary shares

- cancel ordinary shares up to a maximum of 10% of the issued share capital of ordinary shares.
- valid for a period of 18 months (September 30, 2018)
- date(s) for cancellation to be determined by the executive board taking into account a mandatory 2-month opposition period for creditors
- only ordinary shares held by the company may be cancelled

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5. remuneration

5a. proposal to amend the remuneration policy of the Executive Board

key objectives

- align with the strategic direction for the transformation of Randstad
- strengthen focus on long-term sustainable value-creation
- stay focused on the values and societal aspirations of Randstad
- reward team, not individual Executive Board member achievements

5. remuneration

5a. proposal to amend the remuneration policy of the Executive Board base salaries

- base salary levels and targets stay unchanged
- labor market peer group expanded in line with good market practice
- AEX sanity check maintained

5. remuneration

5a. proposal to amend the remuneration policy of the Executive Board annual bonus

- bonus opportunity kept at current levels
- only joint targets
- flexibility in target setting and target weighting
- mandatory conversion of part of the earned bonus into shares
- share matching to stimulate maximum conversion
- share matching subject to sustainable performance of Randstad

5. remuneration

5a. proposal to amend the remuneration policy of the Executive Board

long term incentive

- targets rebalanced to 65% TSR (from 80%) and 35% non-financial targets (from 20%)
- non-financial targets to include key strategic objectives in addition to sustainability measures
- TSR performance peer group extended
- total grant & opportunity kept at same level; maximum TSR related pay-out level lowered

5. remuneration

5a. proposal to amend the remuneration policy of the Executive Board

annual bonus targets 2017

- revenue with market share validation (15% min, 25% on target, 35% max)
- EBITA margin (10% min, 15% on target, 25% max)
- DSO (5% min, 10% on target, 15% max)
- strategic target not disclosed as sensitive (25% max)

long term incentive 2017 non-financial targets in addition to TSR

- net promoter score
- employee engagement
- professionals growth above market
- perm growth above market
- a target related to digital strategy

5. remuneration

5b. proposal approve the performance related remuneration of the Executive Board in performance shares

- valid for 5 years
- in line with new remuneration policy

agenda

1. opening
2. review 2016
3. discharge of liability
4. shares
5. remuneration
- 6. external auditor**
7. any other business
8. closing

6. external auditor

6. Proposal to reappoint Deloitte Accountants BV as external auditor for the financial year 2018

- initial appointment at the AGM in 2014 for the 2015 financial year

agenda

1. opening
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agenda

1. opening
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