

capital markets day

2017

london.





group strategy & vision

jacques van den broek, CEO

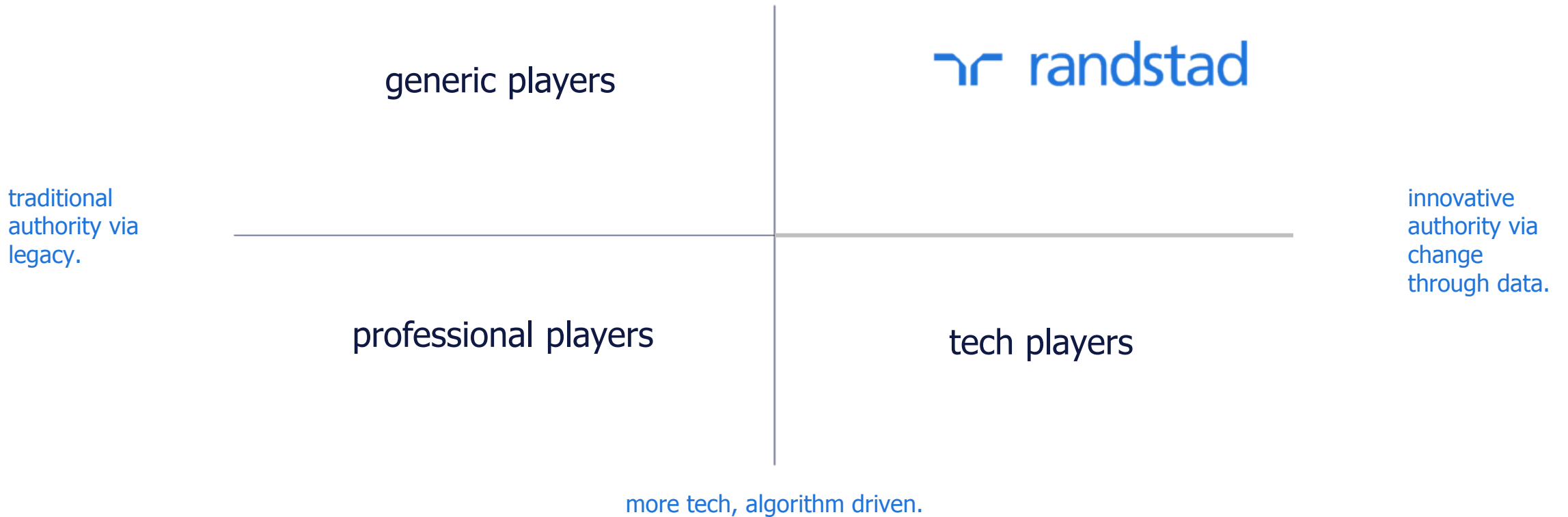
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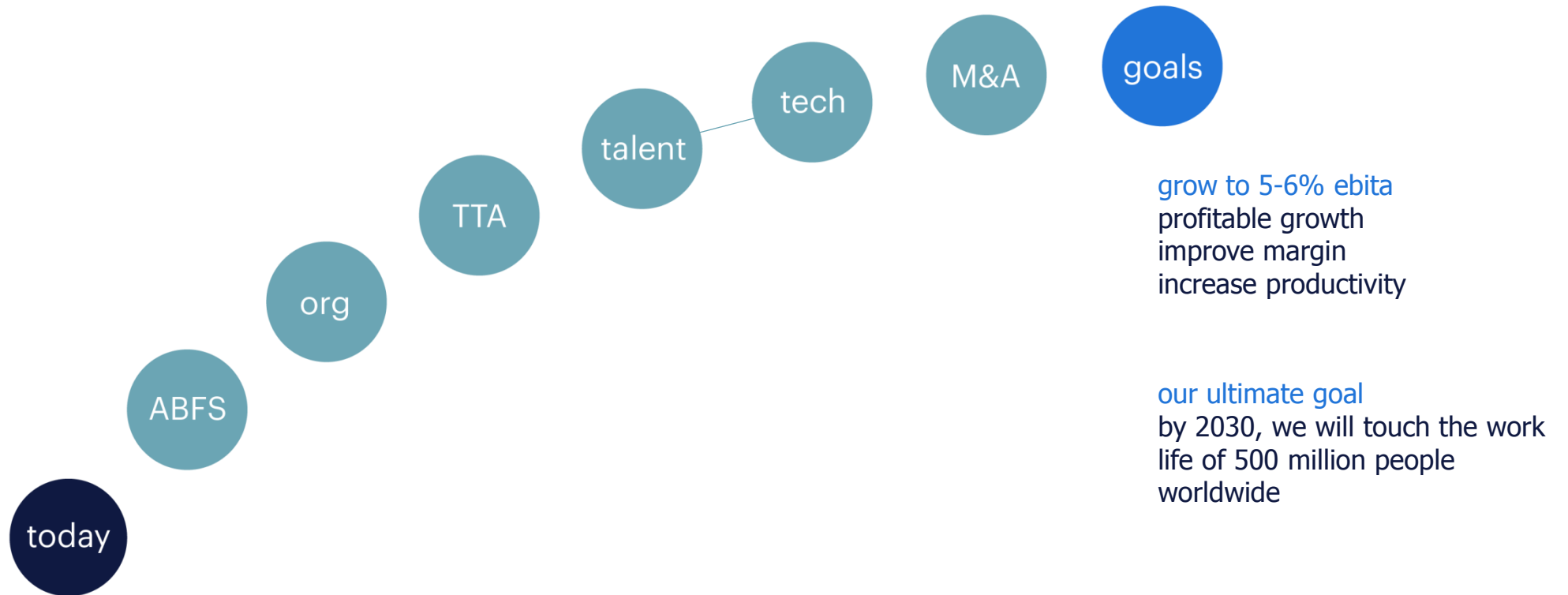
our brand positioning tech-driven but human

personal. helpful. caring. relationship-focused.



strategic roadmap

best people, strong concepts, excellent execution & superior brands



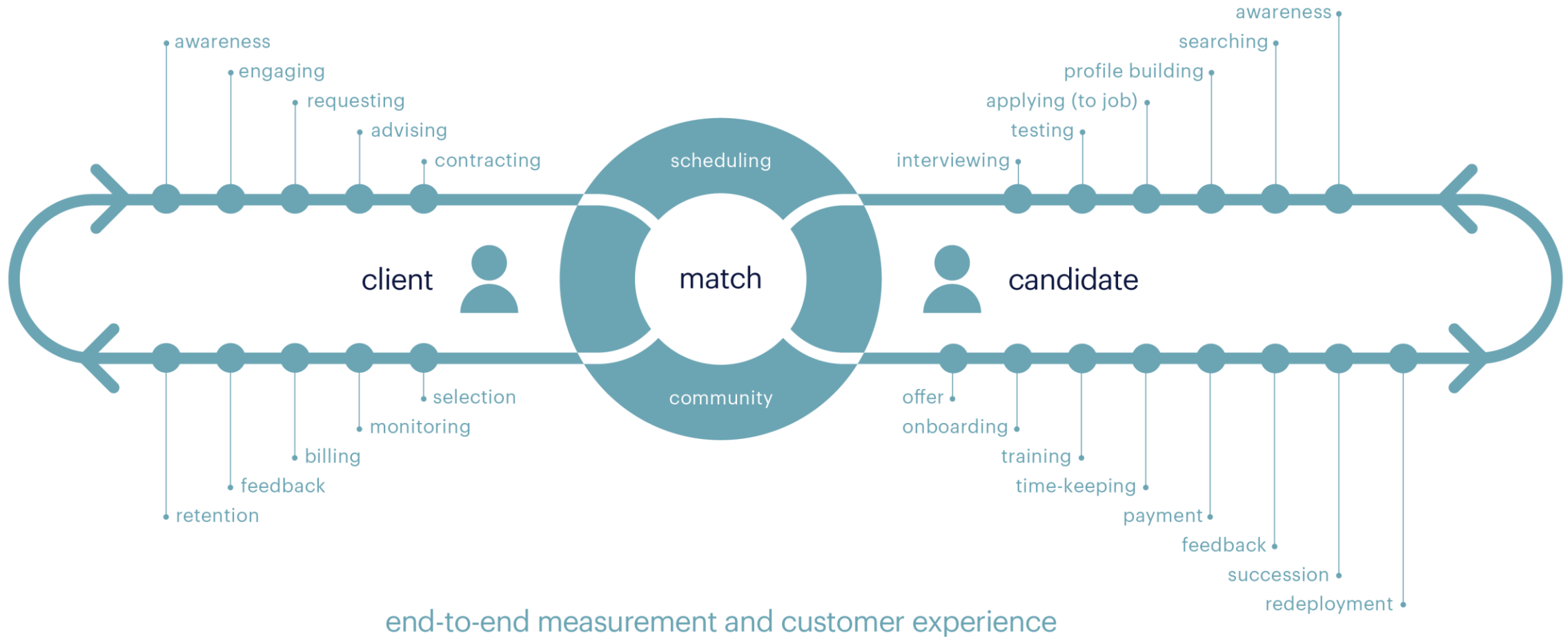
strategic roadmap

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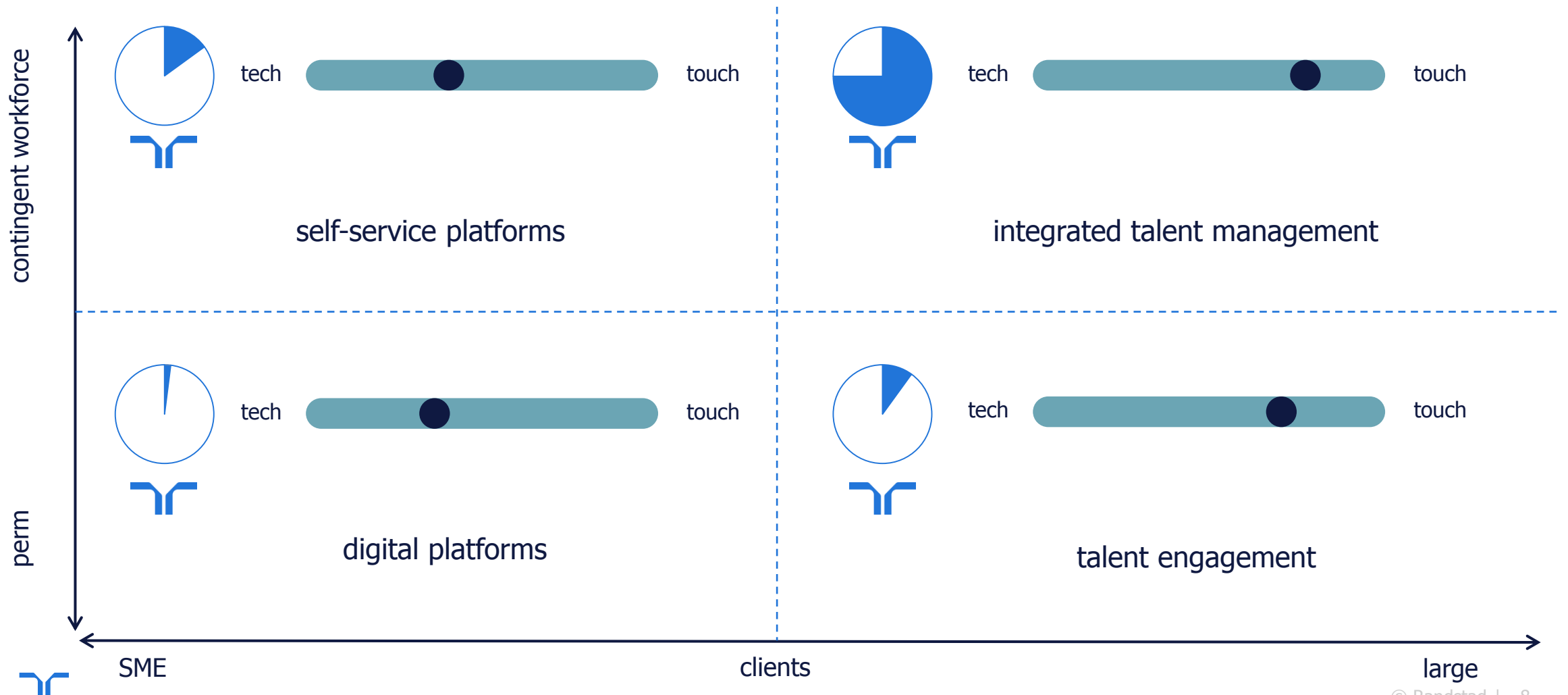


ABFS 2018

integrated tech approach is crucial



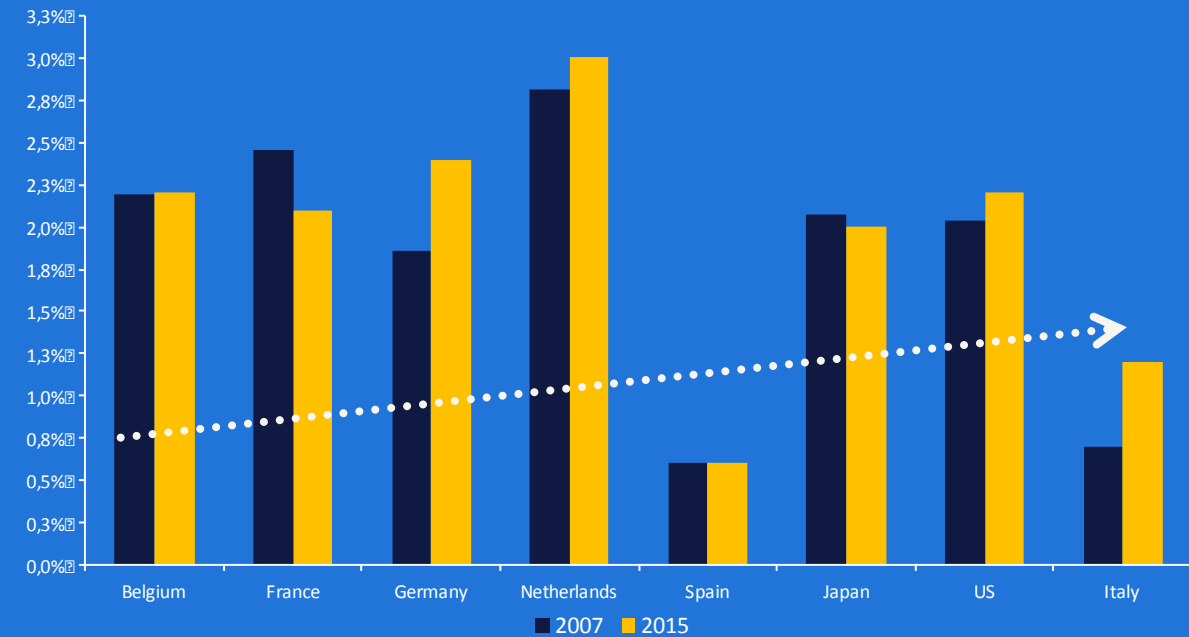
tech as a differentiator: higher barriers to entry, favouring big players in a fragmented market where scale and proximity matter



a structural growth industry staffing penetration rates rise over time

trends and growth drivers

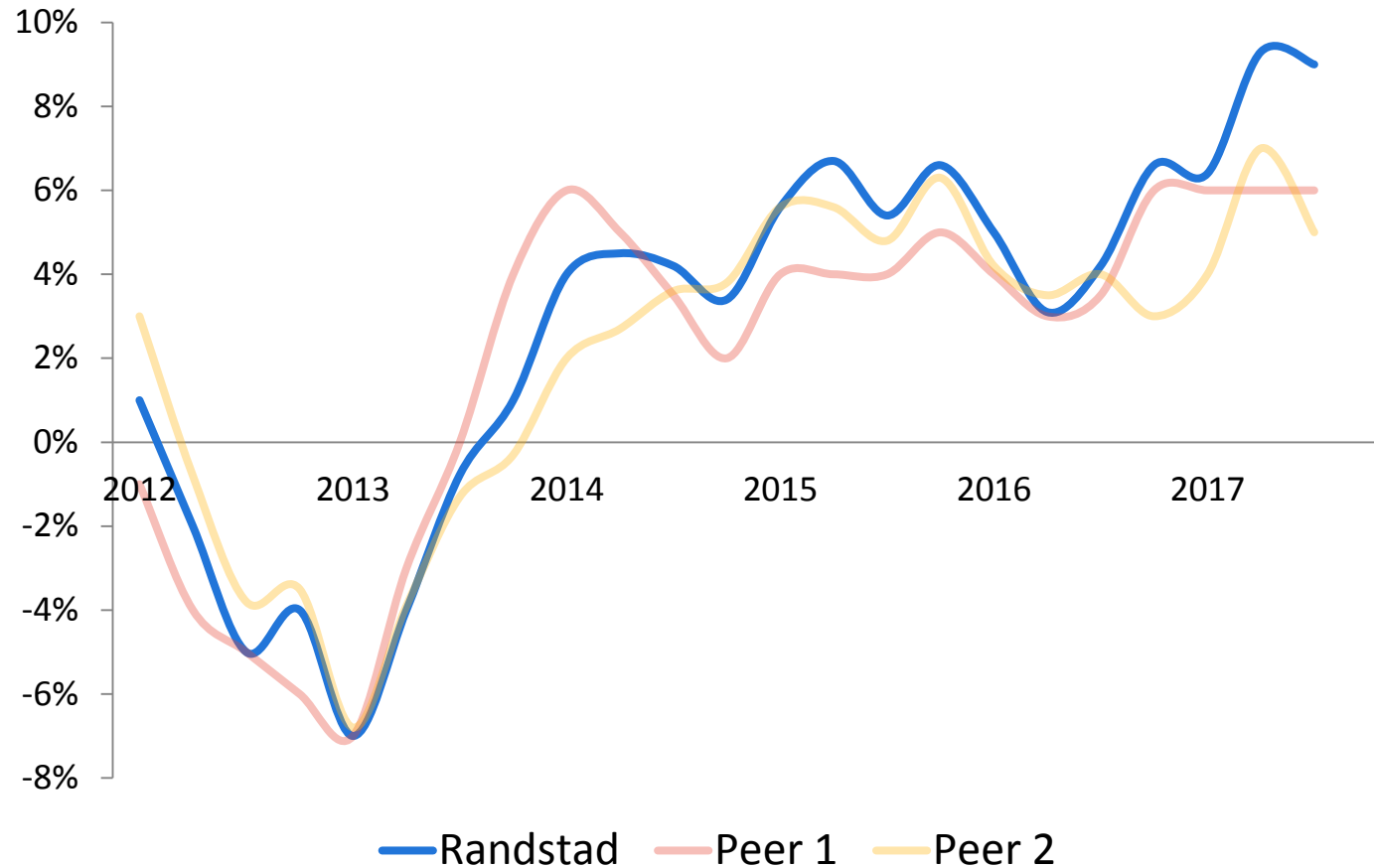
- globalization ✓
- technology ✓
- demographics ✓
- variety of work forms ✓
- governance of work ✓



source: CIETT

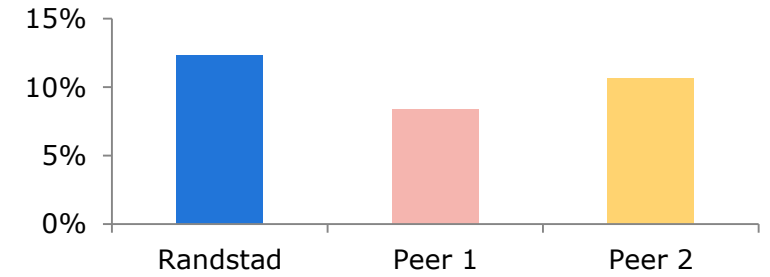
topline growth accelerating vs. peers powered by integrated tech

organic revenue pwd growth by quarter, 2012-2017

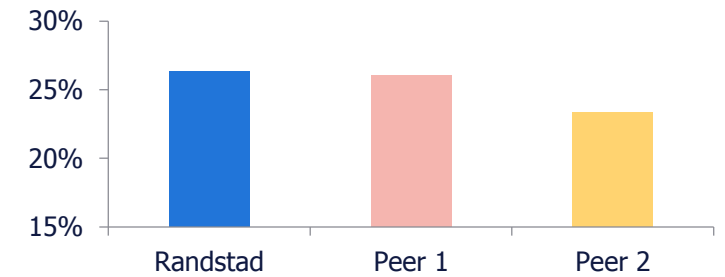


organic revenue pwd growth, 2017 YTD

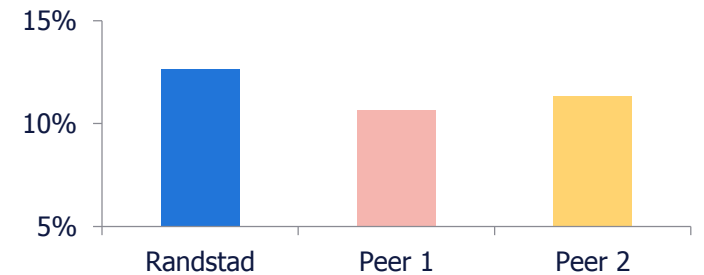
france



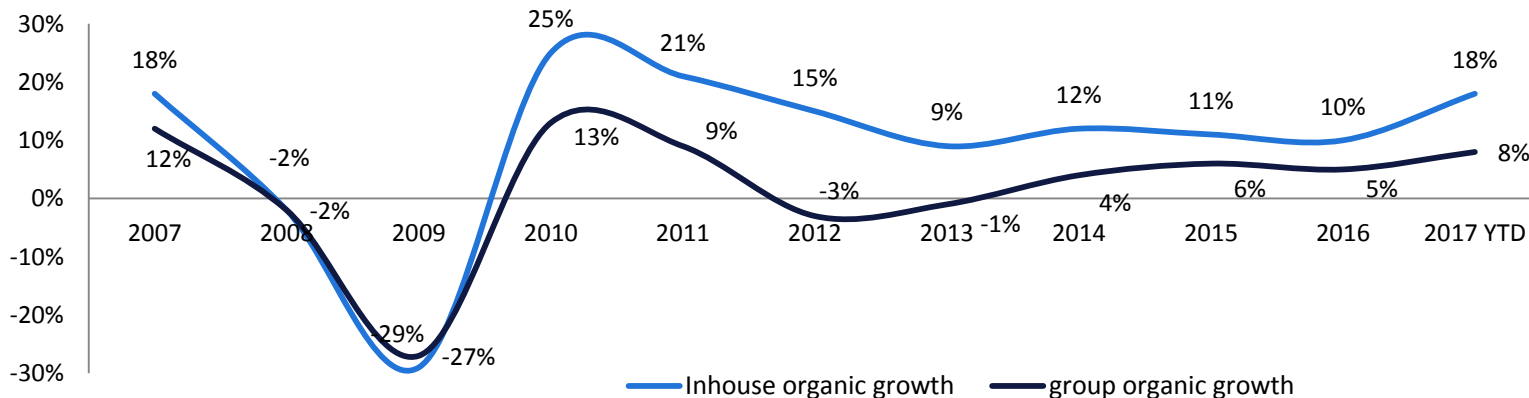
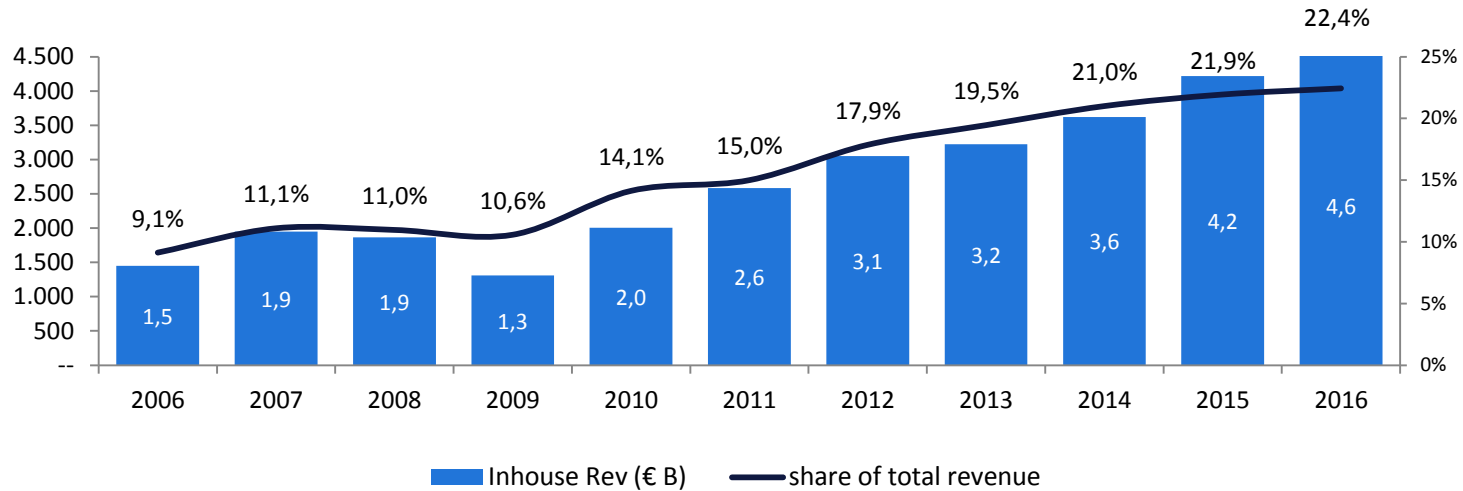
italy



iberia



inhouse: strong growth continuing future powered by tech



what is inhouse services?

- high volume clients
- high productivity
- high customer intimacy (98% retention rate, often 100% market share)
- Average organic sales growth rate 2006-2016: c. 10%



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

digital factory scale ups
data driven sales
workforce scheduling

RIF (15 investments)
pymetrics Montage
crunchr brazen

tech & touch

external innovations
via M&A
TalentBin BY MONSTER
monster.com Find Better. AUSY

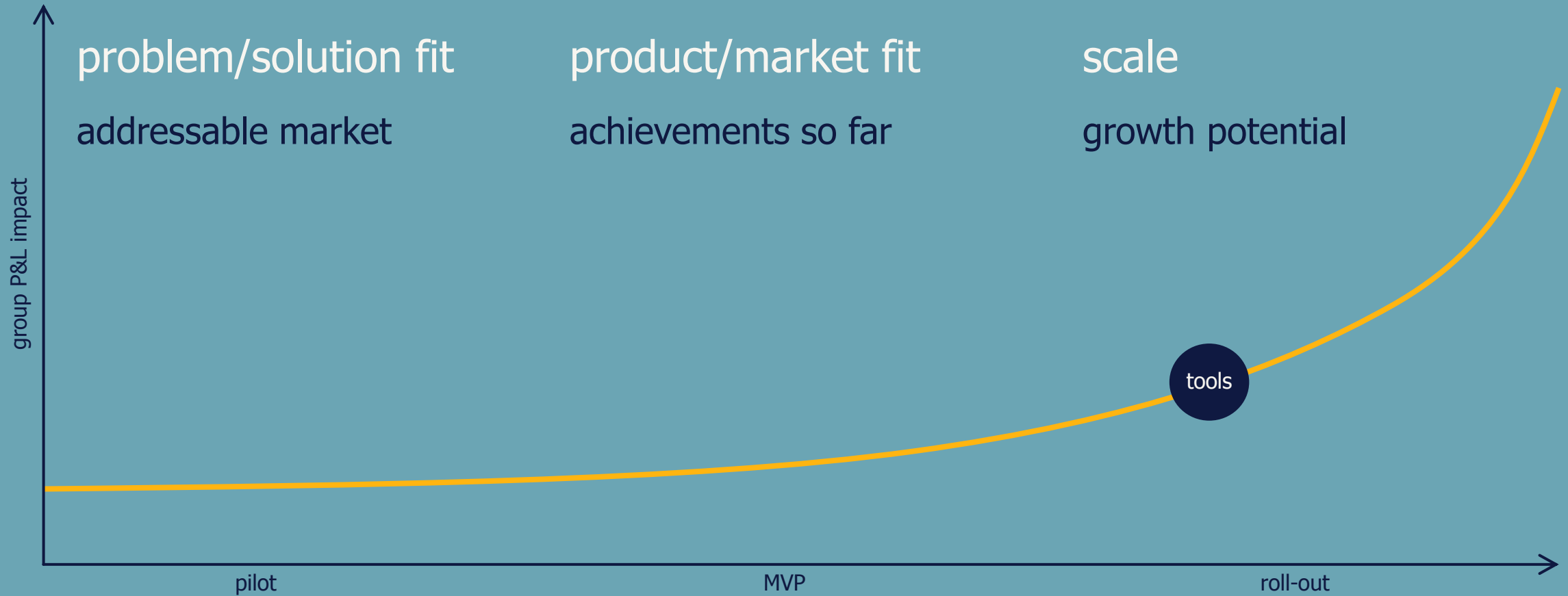
global concepts
SourceRight
RiseSmart
Global Clients Solutions

local innovations
randstad direct |
Sales Navigator Horton (US)
Big Data France



experiment, focus, proof, scale up

validate business cases on hard data & leading KPIs



conclusion

- integrated tech approach is crucial
- higher barriers to entry, in favour of big players
- riding the learning curve: experiment, focus, proof, scale up
- large addressable market size identified



ambition

gain further market share driven by our differentiating tech & touch strategy

agenda

10.30 – 11.00 financial strategy & trading update
Robert Jan van de Kraats

11.00 – 11.30 Q&A

11.30 – 11.45 coffee break

11.45 – 12.15 US staffing/professionals & Monster
Linda Galipeau/Chris Kibarian

12.15 – 12.30 Q&A

12.30 – 13.30 buffet lunch

13.30 – 14.00 digital strategy: deep dive Jacques van
den Broek

14.00 – 15.00 data driven sales NL & France
Dominique Hermans & Sébastien Hélaïne

15.00 – 15.15 coffee break

15.15 – 16.00 workforce scheduling François Béharel

16.00 – 16.30 enterprise clients Rebecca Henderson

16.30 – 16.45 wrap up

16.45 – 17.30 drinks and canapes

randstad

human forward.





financial strategy & trading update

robert jan van de kraats, CFO

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current trading

- revenue growth in October in line with Q3 (+9%)
- volume trend in November so far appears to be in line with October
- robust growth in Europe continued, North America slightly improving

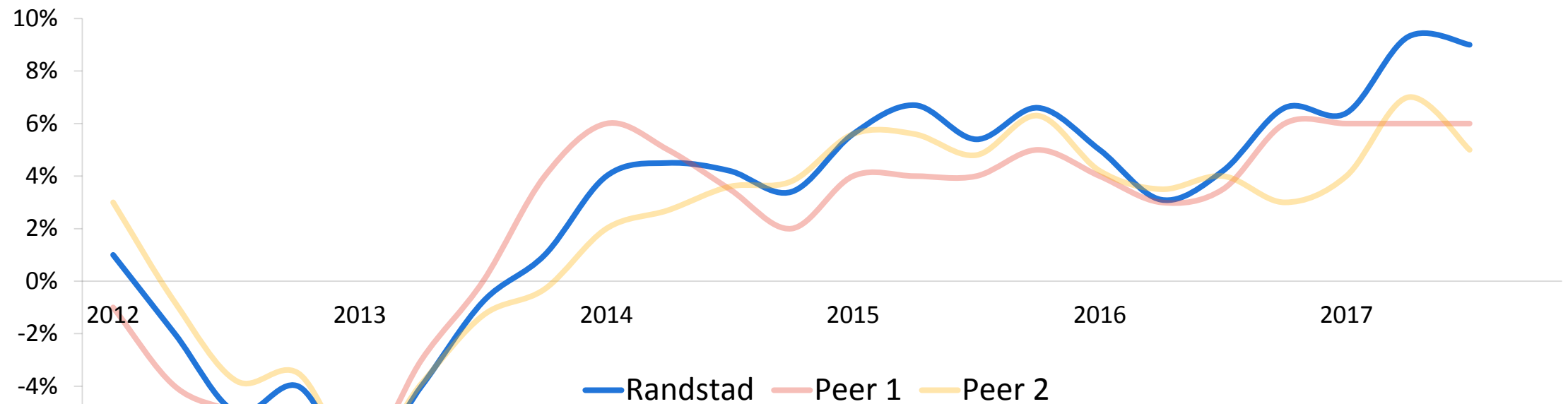
outlook

- there will be an adverse 2.4% comparison in Q4
- gross margin in Q4 is expected to be stable sequentially
- for Q4, operating expenses are expected to be stable sequentially
- there will be an adverse 0.5 working day impact in Q4 2017

topline growth accelerating vs. peers

driven by improving macro in europe and integrated tech

organic revenue growth by quarter, 2012-2017

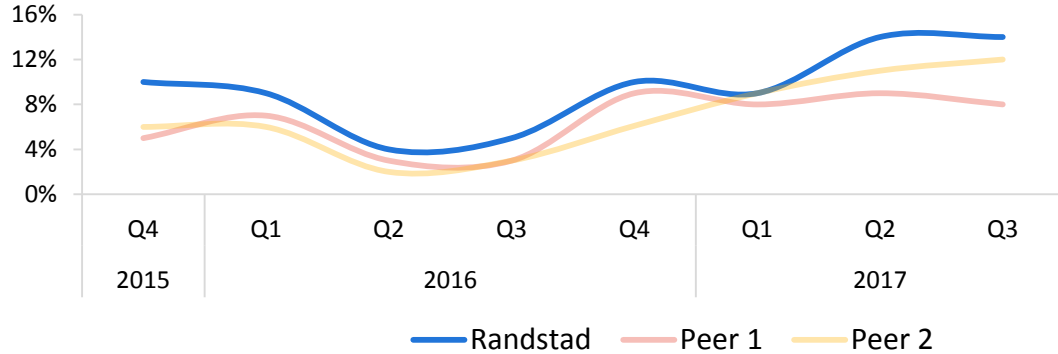


- france still c.15% below 2007 peak
- penetration rate in iberia (0.6%) and italy (1.2%) markedly below european average
- u.s. above peak and still growing

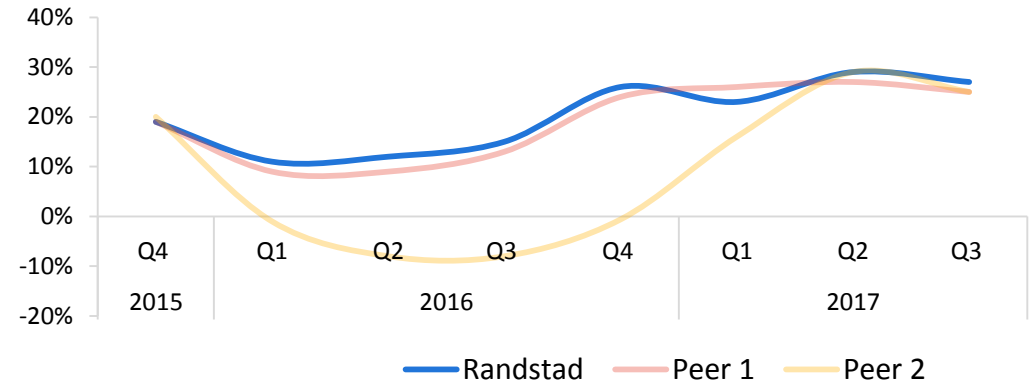


further improving relative performance

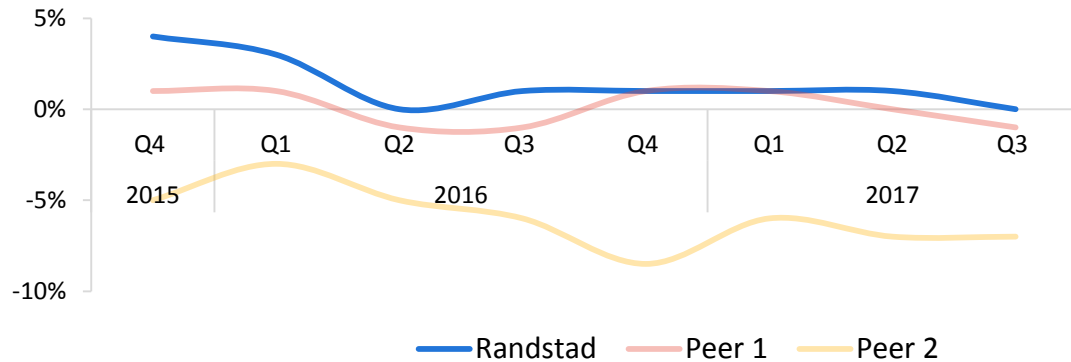
france organic revenue growth pwd



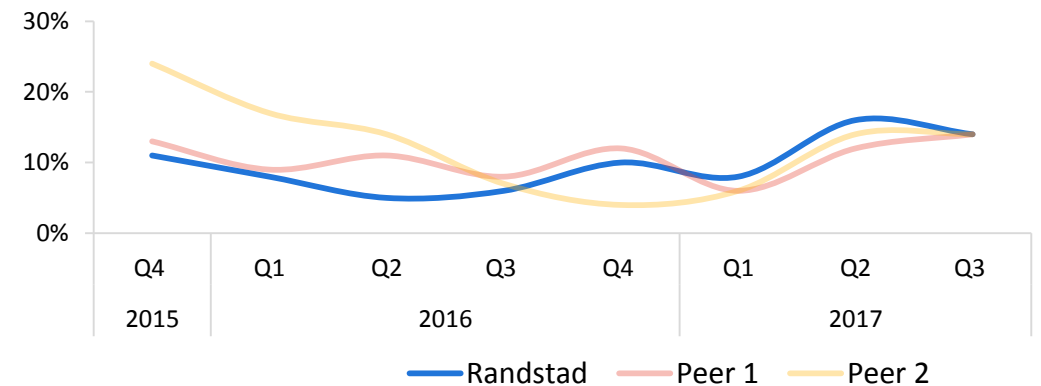
italy organic revenue growth pwd



north america organic revenue growth pwd

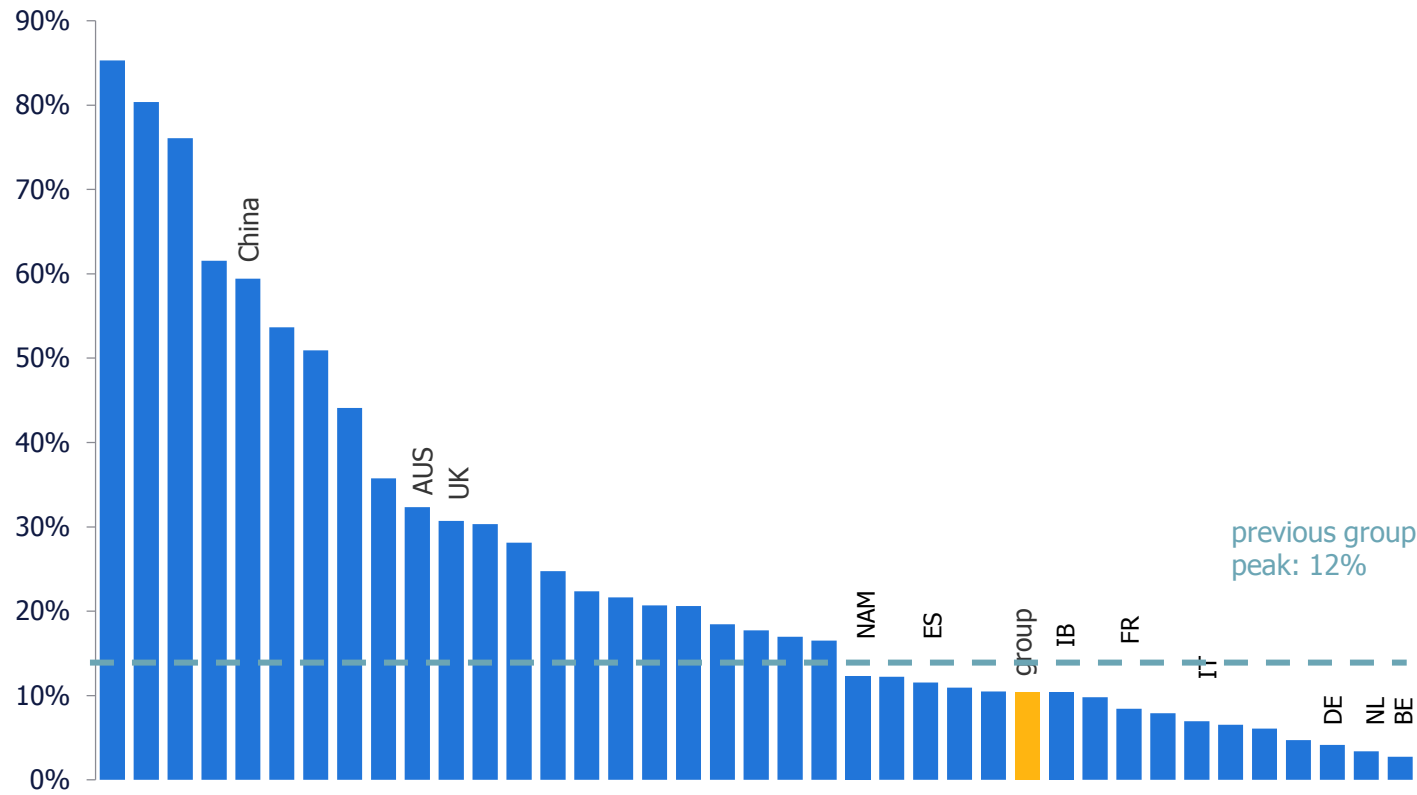


iberia organic revenue growth pwd



perm: a major opportunity

perm as % of GP, FY 2016



2017 YTD perm growth

avg. growth competitors ¹ 7%

 randstad ² 9%

- In 2017 YTD perm made up 10% of group GP (~12% in 2007)
- We have the potential to double in established markets
- Strategic focus paying off as we outgrow our peer group average

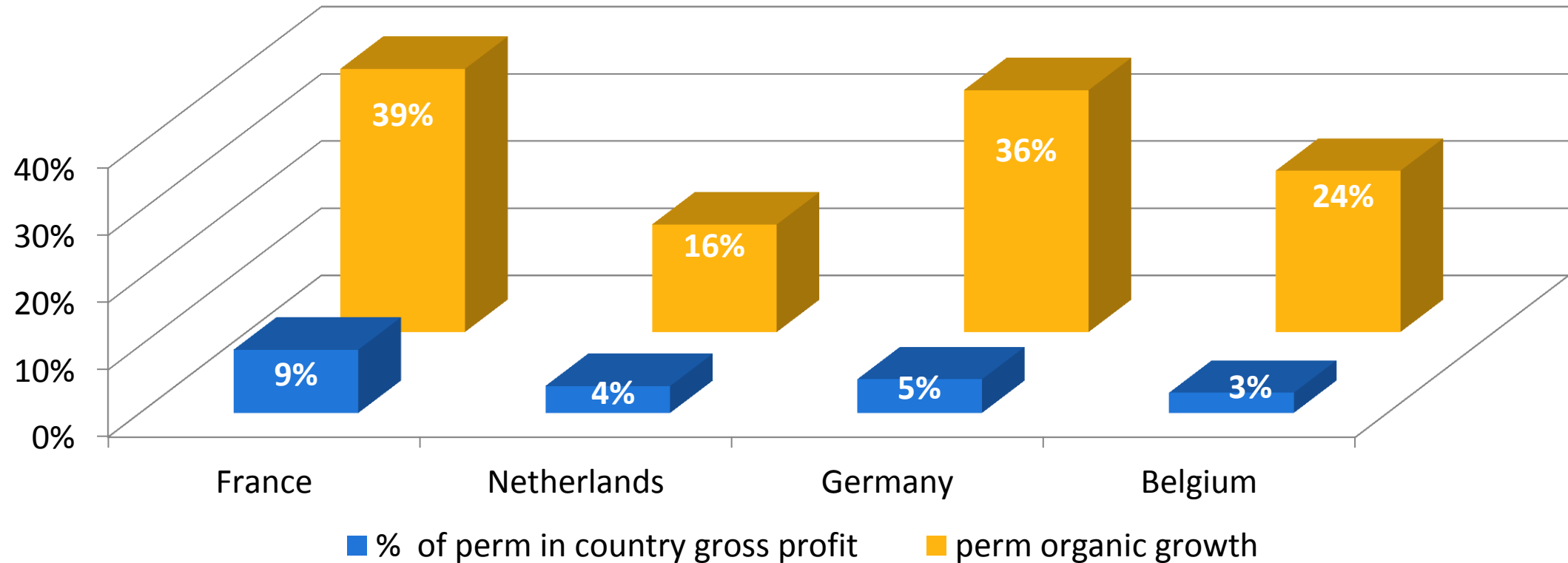
¹ Competitors; Page group, Hays, Adecco, Manpower & Robert Half

² Organic growth, excluding RPO






perm offers ample growth potential



perm growth 2017 YTD



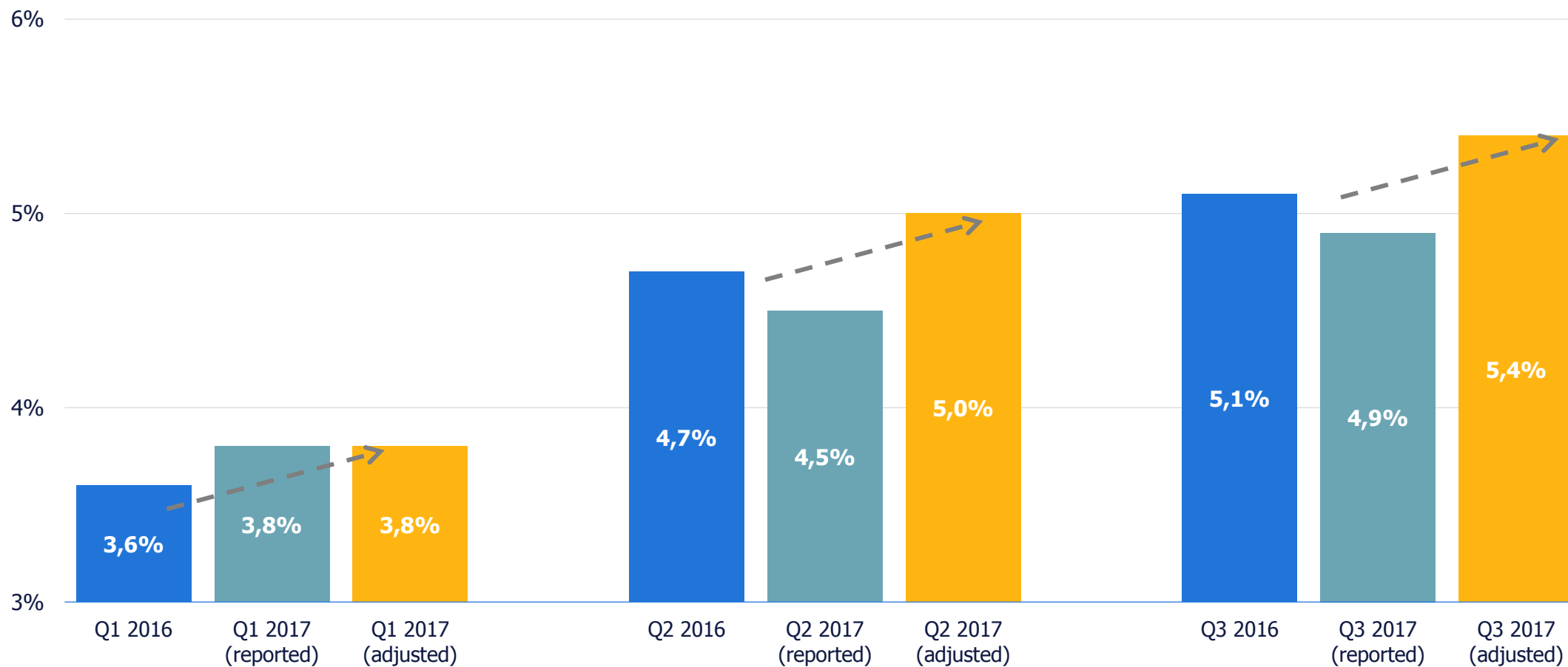
total upcoming cost savings 2018/19: € 90-100M

	cost savings program	amount (€)	detail	time frame	status
follow up	CMD november 2014	€ 60-70M	global back office and support staff benchmark	2 years	
	CMD november 2015	€ 50M	creation of a global IT infrastructure SSC and ongoing benchmarking	over time	 c. € 20M forthcoming in 2018/19
new	CMD november 2017	€ 70-80M	further (IT) benchmarking & Monster	2 years	

conclusion total upcoming cost savings 2018/19: € 90-100M

completed 
pending 

adjusted EBITA margin progression in 2017: a balancing act adjusted for digital investments & working day effect



ebita margin outlook 2017/18

topline growth

- consensus + 4.5% sales growth 2018
- expected market outperformance

business mix

- focus on perm/profs/inhouse/SME; pricing



digital

- ongoing investments
- early signs of additional sales growth







opex

- € 90-100M annual savings by 2019

consensus FY 2017
EBITA margin: 4.6%

outlook 2018: further progression
towards 5-6% EBITA margin

acquired companies well on track

	aim to be top 3 in local Staffing market	strengthen Professionals business	accelerate digital strategy	progress towards EVA after 3 years
 Proffice	●	●		in line
 Obiettivo Lavoro	●			ahead
 cafeo	●	●		ahead
 MONSTER			●	underway
 BMC advies management		●		ahead
 AUSY		●		underway

M&A outlook 2018 and beyond

tech & touch strategy

- mainly organic through digital factory
- repair Monster & global roll-out

professionals

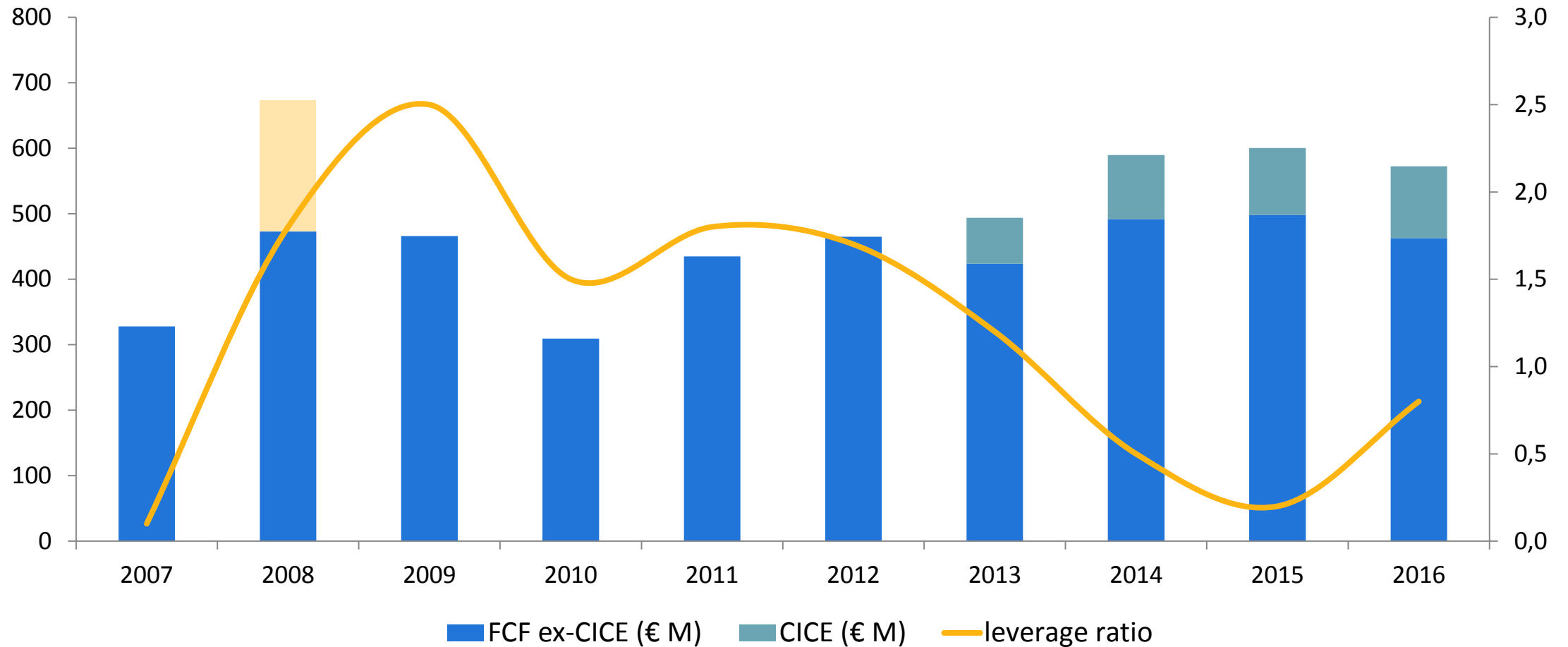
- acceleration through Ausy (organic & bolt-on M&A)
- over time: small to mid-sized M&A

staffing

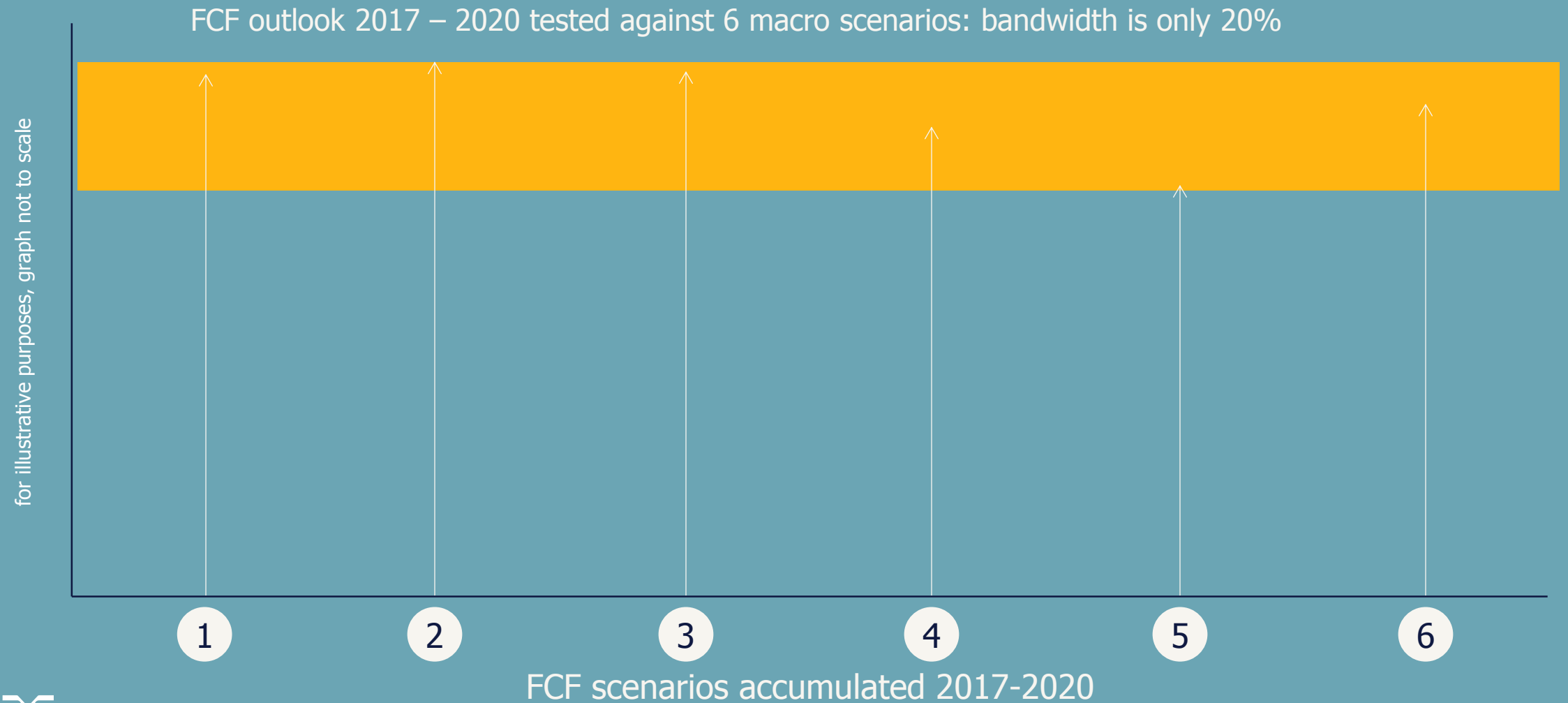
- top position in most relevant markets, ex-Japan, UK & Australia
- no priority

-
- focus on value creation on the basis of current footprint
 - no large transformational M&A going forward
 - limited M&A in 2018

FCF stability over the past 10 years

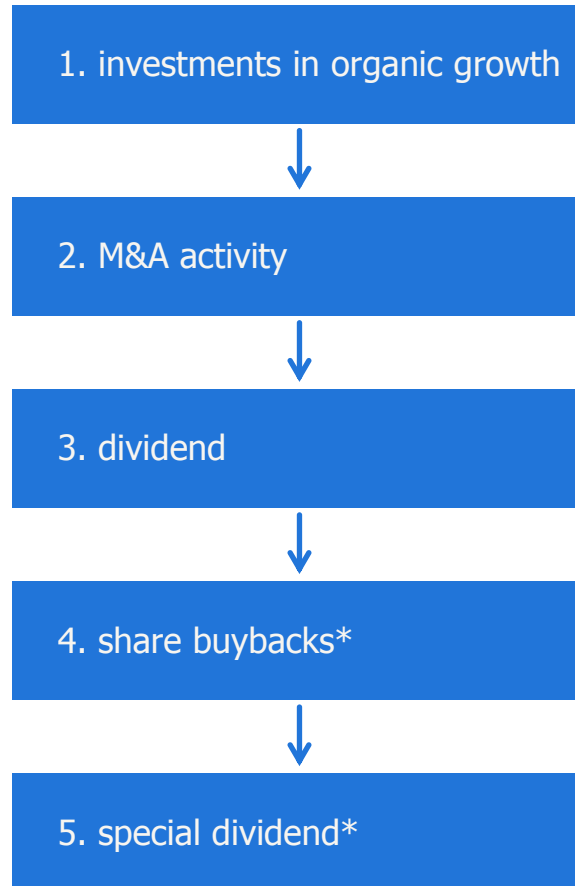


FCF outlook is consistent in various macro scenarios working capital movement is counter cyclical

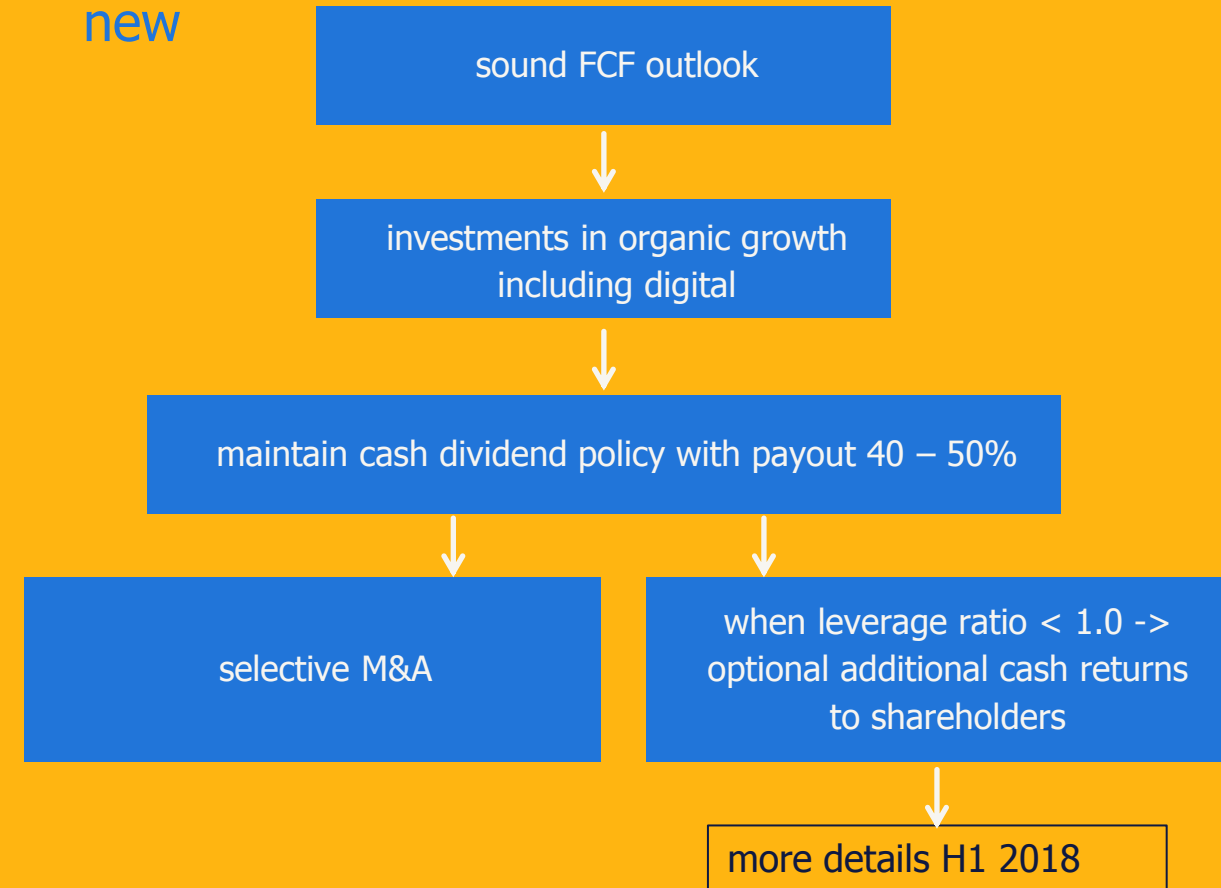


capital allocation priorities & dividend policy

old

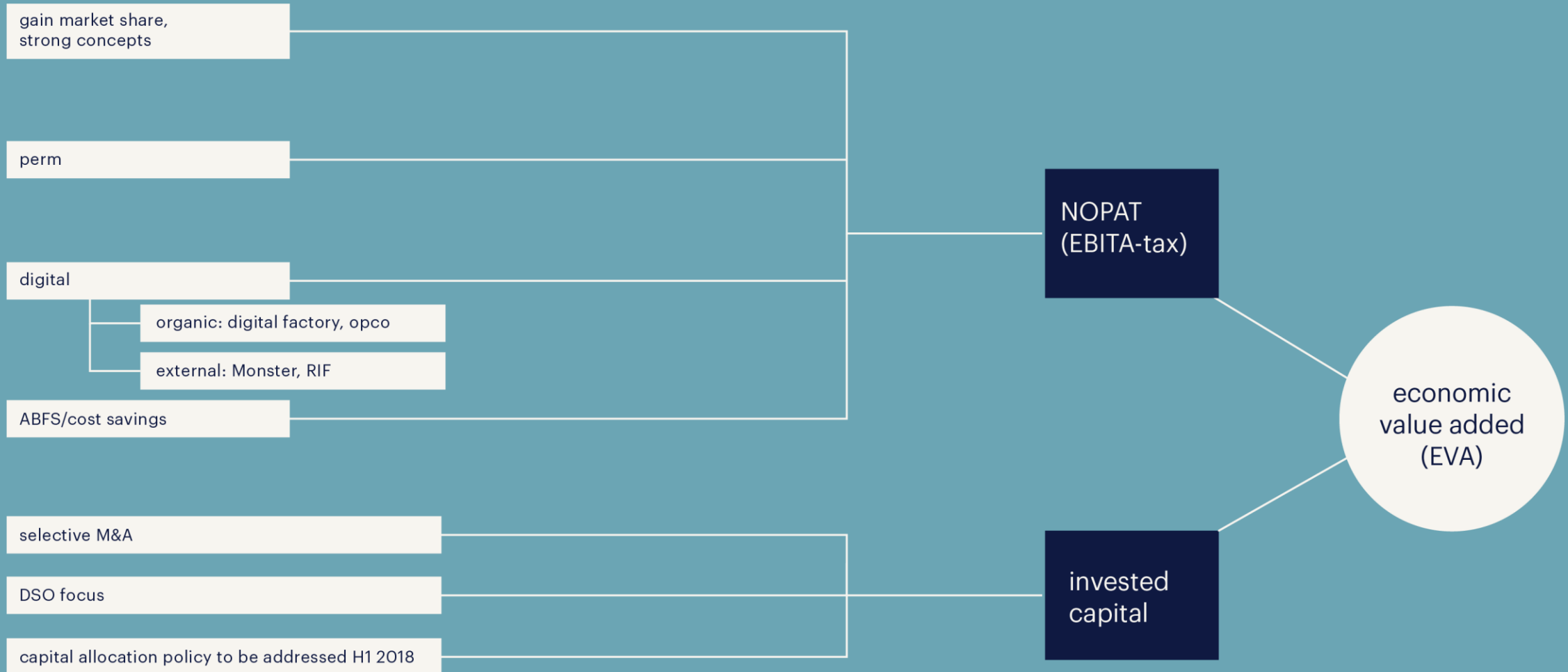


new



long term value creation through tech & touch strategy

optimizing EVA by steering on key levers



questions



& answers