

# 4th-quarter & FY 2018 results

FY 2018: delivering EBITA margin progression.  
strong free cash flow, record cash dividend.

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Randstad N.V.  
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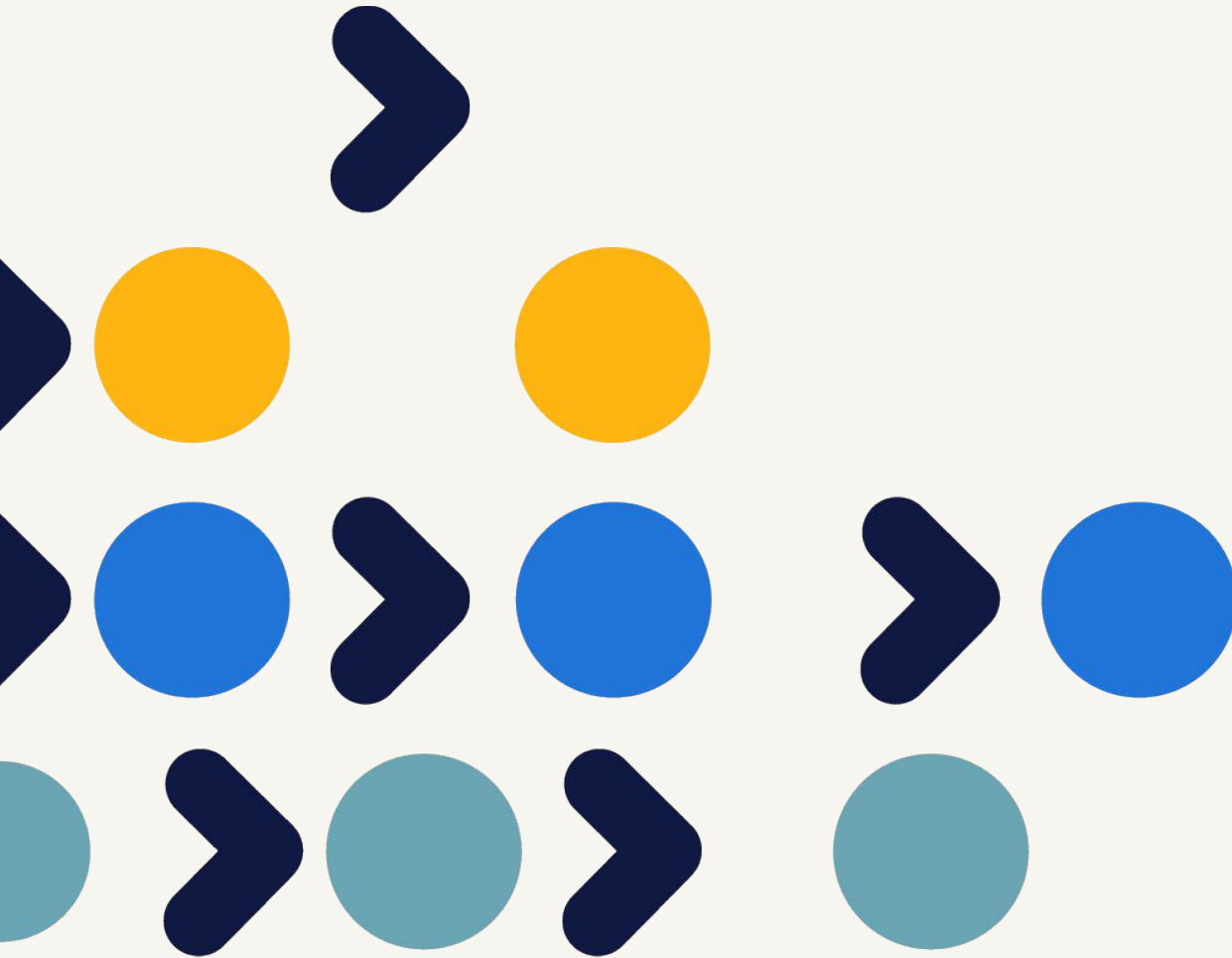


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# definitions.



**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.

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performance



moving forward.



# Q4 and FY 2018: sound operational execution.



FY 2018  
achievements

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resilient portfolio paying off

EBITA margin progression

strong cash conversion

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Q4 key financials

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organic growth 0.3%

EBITA € 309m

EBITA margin 5.1%

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growth drivers

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perm up 11%

ROW up 12%

digital progress

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## north america

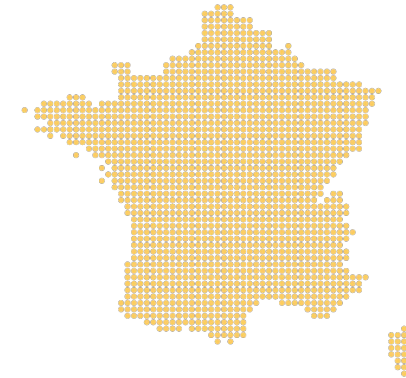
solid EBITA margin expansion.



- revenue up 3% (Q3: +3%)
- US Staffing & Inhouse, revenue up 5% (Q3: +5%)
- US Professionals, revenue flat (Q3: +1%)
- Canada: revenue up 1% (Q3: +2%)
- EBITA margin at 6.4% vs. 6.0% LY

## france

mixed picture.



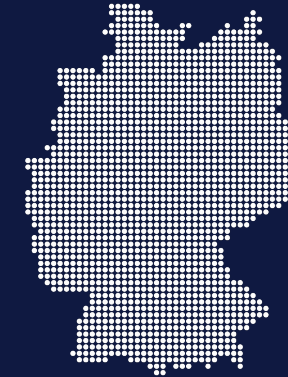
- revenue down 4% (Q3: down 1%)
  - perm up 15% (Q3: +22%)
- Staffing & Inhouse down 7% (Q3: down 4%)
- Professionals up 8% (Q3: +9%)
- EBITA margin at 5.7% vs. 6.5% LY
  - impacted by CICE and lower growth

## the netherlands closing the gap with market.



- revenue at +3% (Q3: +4%)
- combined Staffing & Inhouse businesses up 1% (Q3: +2%)
- Professionals up 13% (Q3: +15%)
- EBITA margin at 5.9% vs. 6.6% LY

## germany automotive weakness.

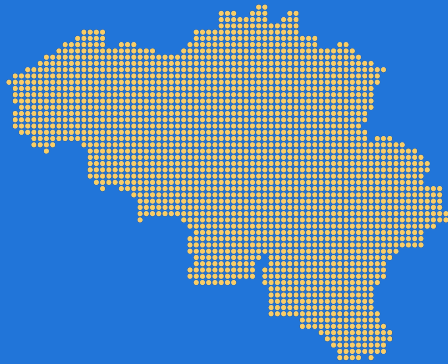


- revenue down 7% (Q3: down 2%)
- Staffing & Inhouse down 12% (Q3: down 4%)
- Professionals up 7% (Q3: +7%)
- EBITA margin at 3.9% vs. 4.7% LY



## belgium

continued market outperformance.



- revenue flat (Q3: +3%)
  - market outperformance
  - positive impact data-led 'Customer Delight'
- EBITA margin at 5.5% vs. 6.9% LY

## italy

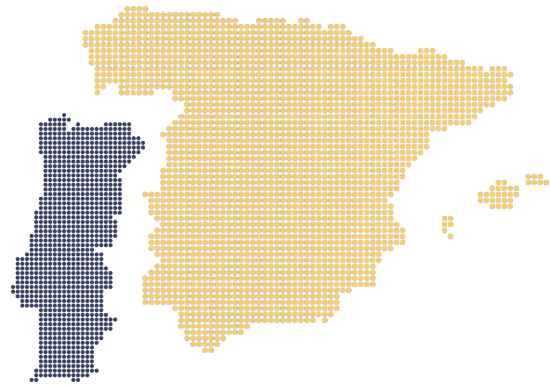
EBITA margin up, growth slowing.



- revenue down 1% (Q3: +7%)
  - strong perm growth at +28% (Q3: +38%)
- EBITA margin at 6.6% vs. 6.3% LY

## iberia

strong conversion in spain.



- spain revenue down 3% (Q3: +3%)
  - strong pricing discipline
- portugal revenue down 9% (Q3: down 3%)
- EBITA margin at 6.0% vs. 5.6% LY
  - spain up 50bp YoY

other european countries  
mixed trends.



- UK revenue growth up by 5% (Q3: +3%)
- nordics down 4% (Q3: +1%)
- switzerland growth up 6% (Q3: +6%)
- poland down 13% (Q3: down 3%)
- EBITA margin at 3.2% vs. 3.3% LY

rest of the world  
double-digit growth at good conversion.



- japan growth up 6% (Q3: +7%)
- australia & new zealand grew 10% (Q3: +14%)
- china up 31% (Q3: +6%)
- latin america up 25% (Q3: +30%)
- EBITA margin at 4.6% from 3.7% LY
  - perm up 17%

global businesses  
improved profitability.



- monster down 17% (Q3: down 15%)
  - increase randstad usage of talent engine
  - progress on new technology platforms
- sourceright global up 8% (Q3: +8%)
  - continued market outperformance
  - significant new client wins
  - integrated data and technology approach
- EBITA margin at 3.8% from 3.0% LY

financial  
results

& outlook.



# Q4 2018 sound operational performance.



## Q4 performance



## Q4 key financials

€ million	Q4 '18	Q4 '17	% org.
revenue	6,101	5,978	0%
gross profit	1,207	1,202	(2)%
gross margin	19.8%	20.1%	
operating expenses*	898	895	0%
opex %	14.7%	15.0%	
<b>EBITA*</b>	<b>309</b>	<b>307</b>	<b>1%</b>
<b>EBITA margin*</b>	<b>5.1%</b>	<b>5.1%</b>	
integration costs & one-offs	-/- 33	-/-14	
amortization & impairment	-/- 127	-/-30	
net finance income/(costs)	4	-/-3	
tax	41	-/-62	
<b>reported net income**</b>	<b>194</b>	<b>198</b>	<b>(2)%</b>
<b>adjusted net income</b>	<b>233</b>	<b>225</b>	<b>4%</b>

- stable revenue YoY
- EBITA margin 5.1% (Q4 2017: 5.1%)
- agile opex steering (flat YoY)
- reported net income impacted by impairment (€ 103m), restructurings (€ 33m), and tax benefit +€ 86m



\* before integration costs & one-offs  
\*\* including share of profit of associates

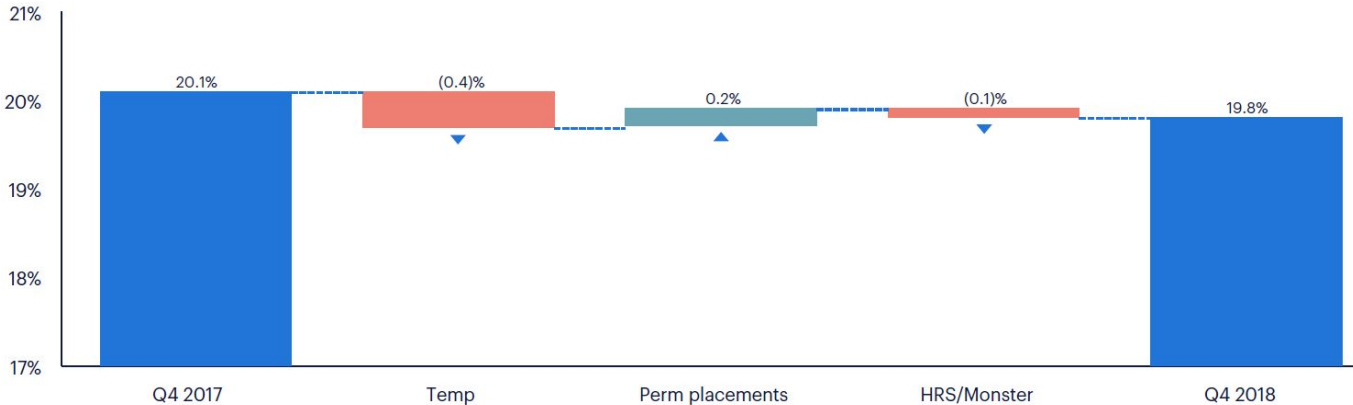
# Q4 2018 gross margin: impacted by CICE, underlying stable.



Q4 gross margin development YoY



Q4 key financials



- temp margin impacted by CICE (around -25bp)
- perm fees grew 11% YoY organically, adding 20bp
- HRS/Monster impact -10bp, driven primarily by Monster

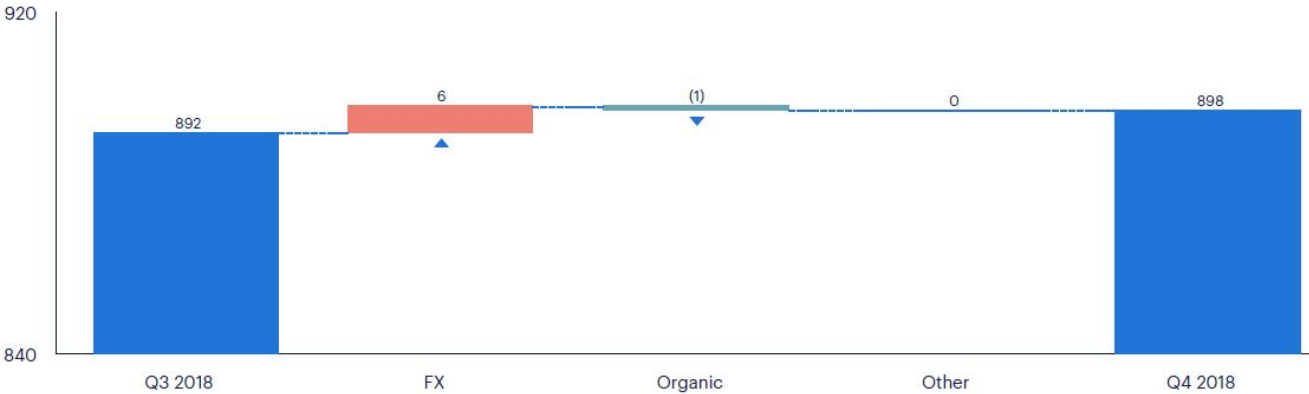
# agile cost management in Q4 and for full year 2018.



Q4 sequential opex bridge



Q4 cost management



- organic opex stable versus Q3 and YoY (Q3: up 1% YoY)
- on track to deliver cost savings program
- flexible cost base and tight steering continues to pay off

# resilient free cash flow and balance sheet, **record dividend.**



## improved free cash flow YoY

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- FY FCF € 627m (+7% vs. FY 2017)
  - strong FY working capital improvement
  - DSO 53.9, up 0.7 days due to mix effects
- 



## strong balance sheet

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- net debt € 985m (down € 41m vs. LY)
  - leverage ratio 0.8 (Q4 2017: 0.9)
  - dividend proposal of € 3.38 per share, including a special dividend of € 1.11
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# conclusion and outlook: **sound operational execution.**

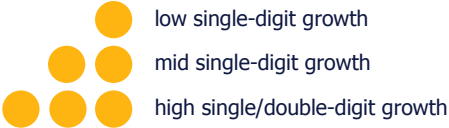
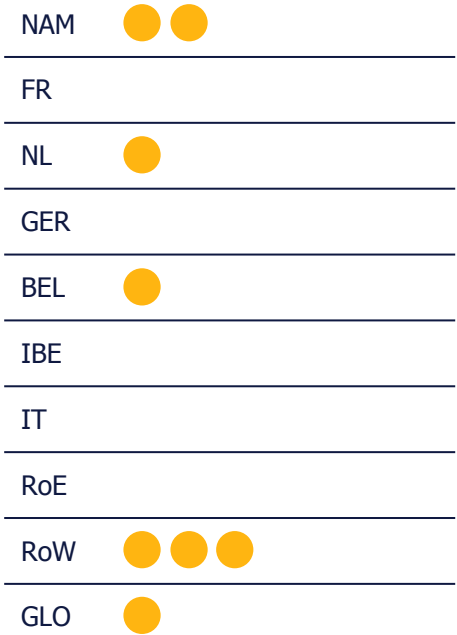


## Q4 conclusion and outlook

- EBITA margin stable, strong FCF conversion
- record cash dividend of € 3.38 (+22% YoY)
- strategy progressing well



## January trend in line with Q4



# questions



# & answers.

# appendices



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# outlets by region.

end of period	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
North America	1,142	1,119	1,090	1,091	1,111
France	625	645	657	663	669
the Netherlands	658	664	665	648	650
Germany	601	601	595	588	582
Belgium & Luxembourg	326	322	325	323	317
Italy	298	295	296	299	275
Iberia	371	369	365	360	354
Other European countries	430	441	435	424	463
Rest of the world	241	241	241	243	302
Global businesses	134	134	134	135	135
total	4,826	4,831	4,803	4,774	4,858

# corporate staff by region.

average	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
North America	5,840	5,840	5,720	5,660	5,690
France	4,540	4,590	4,500	4,410	4,390
the Netherlands	4,370	4,380	4,360	4,350	4,310
Germany	3,080	3,180	3,120	3,020	2,820
Belgium & Luxembourg	2,130	2,230	2,130	2,100	2,130
Italy	2,270	2,260	2,210	2,170	2,130
Iberia	2,220	2,240	2,210	2,180	2,150
Other European countries	3,780	3,810	3,810	3,870	3,850
Rest of the world	5,420	5,260	5,090	5,020	5,030
Corporate	250	250	240	220	230
Global businesses	5,010	5,060	5,200	5,660	5,640
total	38,910	39,100	38,590	38,660	38,380

# staffing employees by region.

average	Q4 2018	<b>Q4 2017</b>
North America	105,100	105,300
France	87,800	91,700
the Netherlands	85,400	83,900
Germany	43,600	51,500
Belgium & Luxembourg	49,700	47,200
Italy	54,900	53,100
Iberia	67,700	71,200
Other European countries	65,900	69,600
Rest of the world	112,100	113,200
Global businesses	12,500	13,000
total	684,700	699,600

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human forward

