

# 2nd quarter 2020 results.

resilient and competitive  
performance amidst Covid-19.

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Randstad N.V.  
21 July 2020

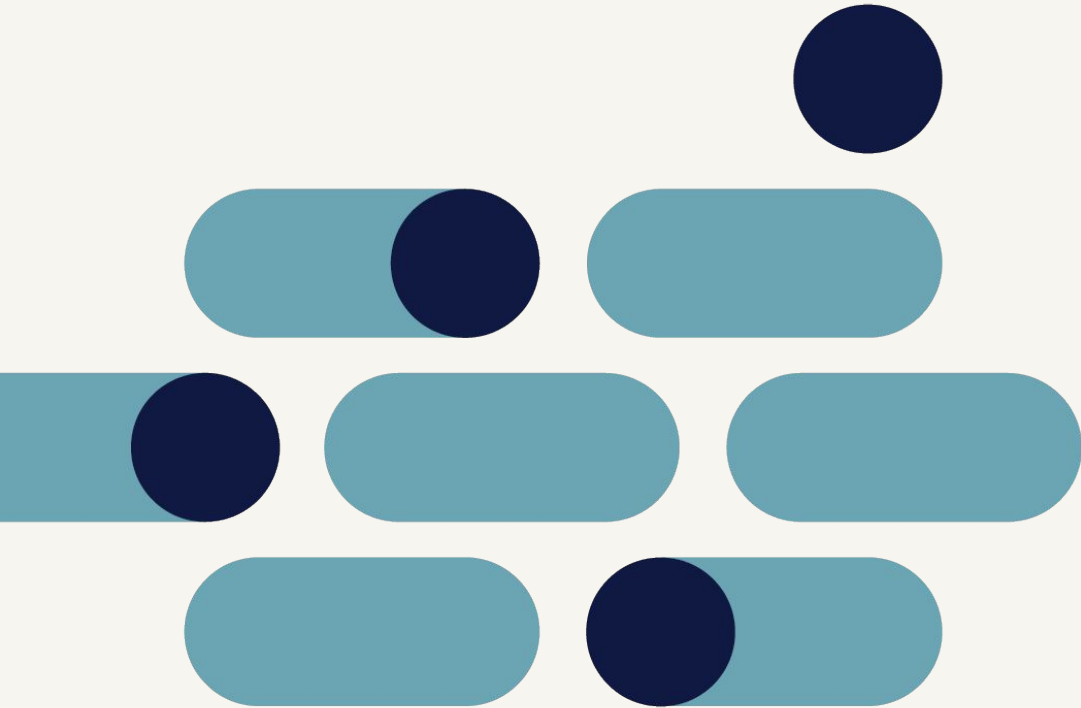


# disclaimer.

Certain statements in this document concern prognoses about the future financial condition, risks, investment plans, and the results of operations of Randstad N.V. 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, shortages 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, availability of credit on financially acceptable terms, the successful completion of company acquisitions and their subsequent integration, successful disposals of companies, the rate of technological developments, the impact of pandemics and our ability to identify other relevant risks and mitigate their impact. 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.

# 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.

# resilient and competitive performance amidst covid-19.



## COVID-19 update

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health and safety first

seamless transition to WFH

returning 90k people to work

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## managing the cycle

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resilient & diverse portfolio

agile cost management

digital field steering

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## Q2 key financials

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organic growth -25%

EBITA € 67m, RR 42%

FCF € 530m, leverage 0.3

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## north america

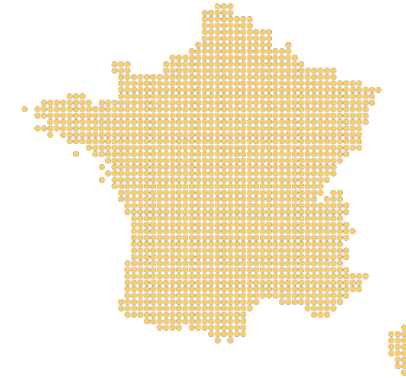
sound margin protection.



- revenue down 18% (Q1: down 3%)
  - perm down 49% (Q1: down 3%)
- US Staffing & Inhouse revenue down 23% (Q1: down 4%)
- US Professionals revenue down 9% (Q1: down 2%)
- Canada revenue down 25% (Q1: down 2%)
- EBITA margin at 4.1% vs. 6.3% LY

## france

recovering through the quarter.



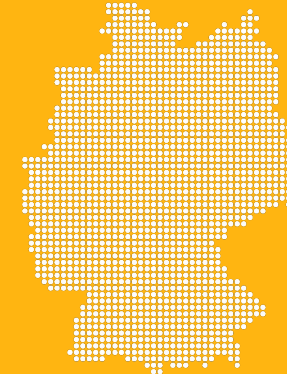
- revenue down 41% (Q1: down 9%)
  - perm down 52% (Q1: down 10%)
- Staffing & Inhouse down 46% (Q1: down 13%)
- Professionals down 24% (Q1: +3%)
- EBITA margin at -1.2% vs. 6.2% LY

## the netherlands diversified portfolio contributing.



- revenue down 24% (Q1: down 14%)
  - perm down 51% (Q1: down 23%)
- Staffing & Inhouse down 28% (Q1: down 17%)
- Professionals down 5% (Q1: down 2%)
- EBITA margin at 4.1% vs. 5.7% LY

## germany challenging conditions remain.

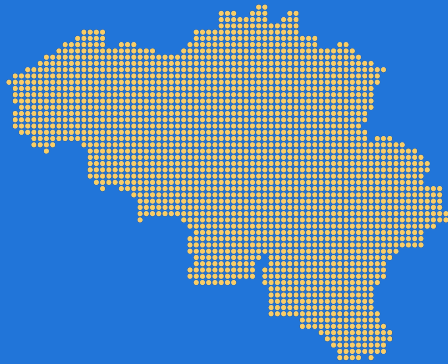


- revenue down 31% (Q1: down 16%)
- Staffing & Inhouse down 37% (Q1: down 19%)
- Professionals down 9% (Q1: down 7%)
- EBITA margin at -1.0% vs. 2.5% LY



## belgium

diversified portfolio paying off.



- revenue down 29% (Q1: down 8%)
  - Professionals down 9% (Q1: down 4%)
- EBITA margin at 2.7% vs. 5.7% LY
  - diversified portfolio contributing

## italy

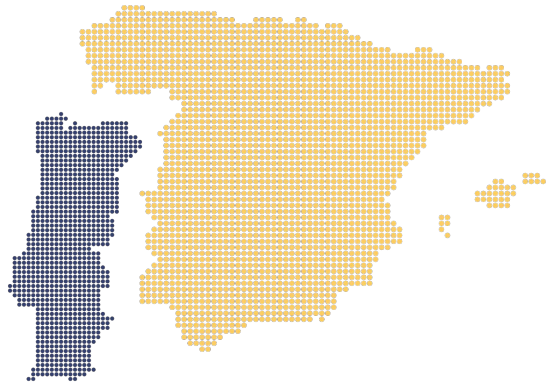
improving through the quarter.



- revenue down 30% (Q1: down 8%)
  - perm down 52% (Q1: down 10%)
- EBITA margin at 3.5% vs. 6.6% LY

## iberia

resilient through covid-19.



- spain revenue down 37% (Q1: down 3%)
- portugal revenue down 25% (Q1: down 9%)
- EBITA margin at 1.3% vs. 5.4% LY

other european countries  
mixed trends.



- UK revenue down 31% (Q1: down 8%)
- nordics down 21% (Q1: down 8%)
- switzerland down 5% (Q1: down 2%)
- poland down 8% (Q1: down 7%)
- EBITA margin at -0.6% vs. 2.2% LY

rest of the world  
highly resilient performance.



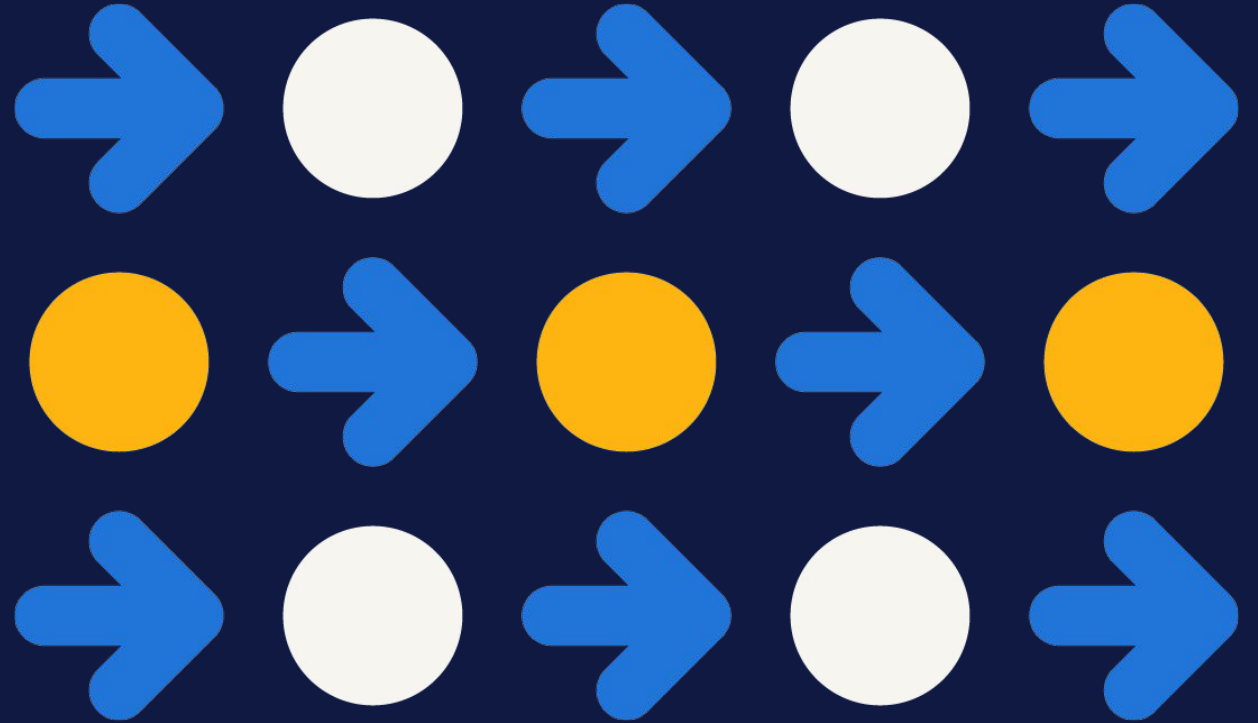
- japan growth down 2% (Q1: +5%)
- australia & new zealand down 6% (Q1: +3%)
- india up 9% (Q1: +16%)
- latin america +6% (Q1: +9%)
- EBITA margin at 4.8% vs. 5.3% LY

global businesses  
reskilling initiatives paying off.



- global businesses down 25% (Q1: down 10%)
- monster revenue down 31% (Q1: down 20%)
- sourceright down 25% (Q1: down 5%)
- risesmart up 29% (Q1: +7%)
- EBITA margin at -4.1% vs. -1.8% LY

financial  
results



& outlook.

# Q2 2020 solid performance in challenging conditions.



## Q2 performance

€ million	Q2 '20	Q2 '19	% org.
revenue	4,437	5,957	(25)%
gross profit	830	1,193	(30)%
gross margin	18.7%	20.0%	
operating expenses*	763	916	(17)%
opex %	17.2%	15.4%	
<b>EBITA*</b>	<b>67</b>	<b>277</b>	<b>(76)%</b>
<b>EBITA margin*</b>	<b>1.5%</b>	<b>4.7%</b>	
integration costs & one-offs	-/-33	-/-8	
amortization & impairment	-/-103	-/-31	
net finance income/(costs)	-/-11	-/-12	
tax	22	-/-61	
<b>reported net income**</b>	<b>-/-57</b>	<b>166</b>	
<b>adjusted net income</b>	<b>63</b>	<b>192</b>	<b>(67)%</b>



## Q2 key financials

- organic revenue down 25%, improving momentum throughout the quarter
- positive EBITA € 67m, 1.5% EBITA margin
- Q2 recovery ratio 42%, supported by agile cost control and government employment protection schemes

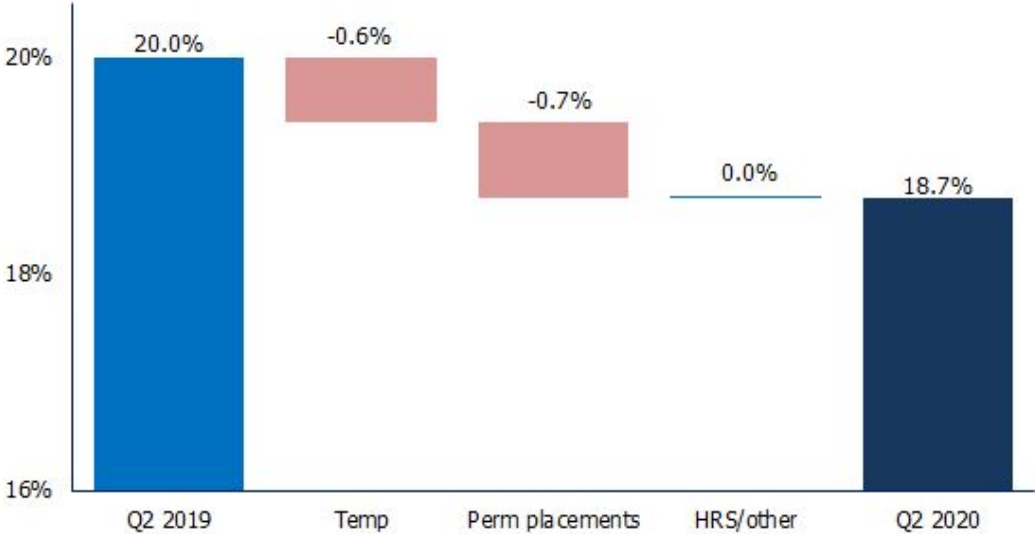


\* before integration costs & one-offs.  
\*\* including share of profit of associates.

# Q2 2020 gross margin impacted by covid-19.



Q2 gross margin development YoY



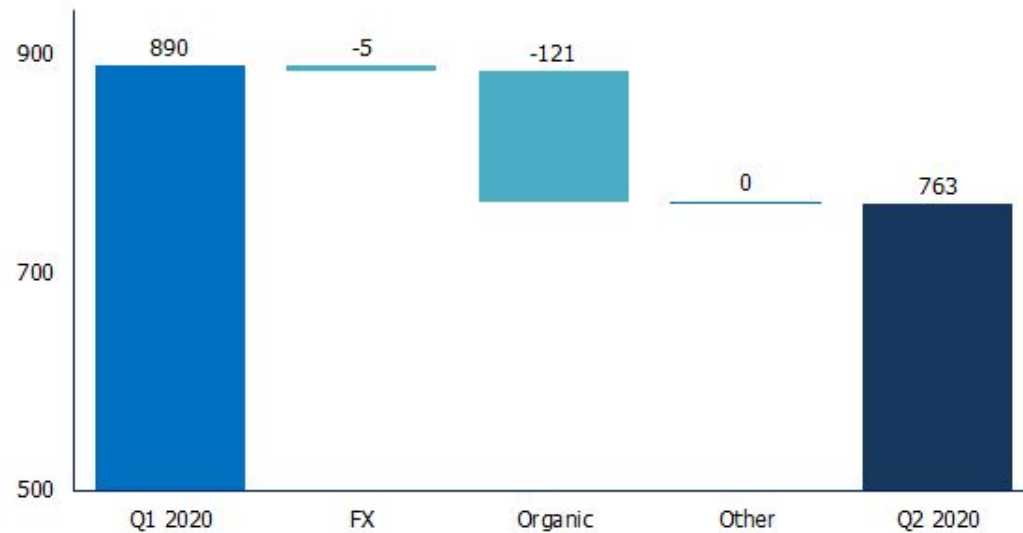
Q2 highlights

- temp margin -60bp YoY, impacted by COVID-19 and idle time
- perm fees declined 47% YoY, -70bp mix impact on gross margin
- HRS/other neutral impact

# agile cost management amidst covid-19.



## Q2 sequential opex bridge



## tapping into the flexibility of the cost base

- radical focus on growth and capital protection
- cost optimization program of € 120m
- government employment protection schemes
- safeguarding future fit investments

# strong balance sheet and countercyclical working capital.



strong FCF generation in Q2 2020

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- Q2 FCF € 530m (vs. € 25m in Q2 2019)
  - favorable working capital movement offsetting lower EBITA impact
  - DSO 53.0, down 0.9 days vs. Q2 2019
- 



sound balance sheet

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- net debt € 282m excluding lease liabilities
  - leverage ratio pre IFRS 16: 0.3 (Q2 2019: 1.2)
  - outstanding CICE receivable € 368m
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# conclusion and outlook: navigating through volatile times.



## Q2 conclusion and outlook

- June exit rate -21%, positive momentum continues into early July
- expected Q3 recovery ratio of 30-40%
- well-positioned to capture future growth opportunities



## June/July activity momentum vs Q2

NAM	→
FR	↗
NL	↗
GER	↗
BEL	↗
IBE	↗
IT	↗
RoE	↗
RoW	→
GLO	→

↗ momentum improving  
→ momentum stabilizing

# questions



# & answers.

# appendices



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# outlets by region.

end of period	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
North America	1,106	1,136	1,153	1,152	1,123
France	643	649	640	635	631
the Netherlands	603	647	653	661	656
Germany	489	487	582	577	580
Belgium & Luxembourg	325	328	327	334	333
Italy	262	262	259	259	262
Iberia	388	388	382	376	375
Other European countries	486	480	482	478	472
Rest of the world	269	243	244	246	244
Global businesses	139	143	139	138	131
total	4,710	4,763	4,861	4,856	4,807

# corporate staff by region.

average	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
North America	5,680	5,880	5,830	5,660	5,600
France	3,460	4,610	4,690	4,640	4,580
the Netherlands	3,740	3,970	4,090	4,180	4,240
Germany	2,170	2,590	2,640	2,680	2,870
Belgium & Luxembourg	1,460	1,940	2,040	2,120	2,090
Italy	1,730	2,240	2,240	2,240	2,250
Iberia	1,570	2,080	2,140	2,170	2,180
Other European countries	3,440	3,640	3,710	3,730	3,700
Rest of the world	5,020	5,420	6,080	5,830	5,660
Corporate	280	280	260	250	240
Global businesses	4,480	4,430	4,650	4,750	4,830
total	33,030	37,080	38,370	38,250	38,240

# staffing employees by region.

average	Q2 2020	Q2 2019
North America	72,600	94,200
France	56,800	90,800
the Netherlands	55,800	81,400
Germany	25,400	41,700
Belgium & Luxembourg	28,600	46,800
Italy	36,200	49,400
Iberia	43,100	64,200
Other European countries	49,200	57,300
Rest of the world	118,000	115,700
Global businesses	4,900	10,000
total	490,600	651,500

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human forward

