

Press release

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More information

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Randstad Capital Markets Day: Tech & Touch strategy to drive further market share gains

Highlights Capital Markets Day:

- Ambition to gain further market share, driven by our differentiating Tech & Touch strategy
- €90-100M cost savings per annum by 2019, related to IT, Monster and general benchmarking; partially to be re-invested in digital initiatives
- For 2017, we feel comfortable with latest consensus of 4.6% EBITA margin
- In 2018, we expect further progression towards longer-term 5%-6% EBITA margin target assuming mid to high single digit sales growth, continuation of mix changes and an improvement at Monster
- Current trading: October revenue growth in line with Q3 (+9%); volume trend in November so far appears to be in line with October
- All cash dividend proposed for 2017
- M&A activity will be limited in 2018
- Optional additional cash returns to shareholders when leverage ratio is < 1.0 from 2018 onward, on the back of our solid and resilient FCF outlook in various economic scenarios. More details in H1 2018

Capital Markets Day program

Today, Randstad Holding nv hosts its Capital Markets Day in London. **Jacques van den Broek (CEO)** will elaborate on how we address the changing HR landscape via our strategic roadmap, including our new brand promise Human Forward. He will outline the key growth drivers for the future and specifically our ability to gain further market share driven by our differentiating Tech & Touch strategy. After lunch, Jacques will provide a deep dive into our digital strategy as an introduction to our showcases in the afternoon. Our integrated Tech & Touch approach is a key differentiator, creating higher barriers to entry in largely fragmented markets.

Robert Jan van de Kraats (CFO) will update on current trading and outline our financial strategy, focusing on long term value creation. He will also discuss our cost savings target of €90-100M annually by 2019, which includes the previously announced cost optimization program at Monster and part of the IT savings over time announced at our previous CMD in 2015. In 2018, we expect further progression towards our longer-term 5%-6% EBITA margin target, assuming mid to high single digit sales growth, a continuation of mix changes and an improvement at Monster. Finally, Robert Jan will elaborate in more detail on our capital allocation strategy.

Linda Galipeau (Executive Board member) will provide an update on the US, both staffing and professionals. **Chris Kibarian (CEO Digital Ventures)** will discuss the strategic and operational turnaround process at Monster, as well as the strategic rationale and importance of the Monster acquisition for Randstad.

Two of our operational managers (**Dominique Hermans, MD Tempo-Team Netherlands** and **Sébastien H elaine, MD Staffing France**) will showcase data driven sales in the Netherlands and France respectively, leading to impressive early results. **Fran ois B eharel (Executive Board member)** will present our workforce scheduling tool, which drives significant productivity gains and further improves client & candidate satisfaction in large addressable markets, resulting in consistent market share gains.

Lastly, **Rebecca Henderson (CEO Randstad Sourceright)** will present our Enterprise Clients strategy, which will be a key enabler in improving our wallet share in this segment. This workstream combines Randstad Sourceright with Tech & Touch, freelance platforms and Statement of Work.

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Trading update: revenue growth October in line with Q3

In October revenue per working day increased in line with Q3 (+9%) and volumes in November so far indicate a continuation of the trend. Robust growth in Europe continued, driven by further market share gains in most regions. Topline growth in North America slightly improved compared to Q3.

As stated in the Q3 2017 results press release, for Q4 2017:

- there will be an adverse 2.4% comparison base
- gross margin is expected to be stable sequentially
- operating expenses are expected to be stable sequentially
- there will be an adverse 0.5 working day impact year-on-year

Audio webcast

Today at 10.00 am GMT (11.00 am CET) Randstad Holding will host a conference in London. You can listen to the presentations of Jacques van den Broek and Robert Jan van de Kraats through a real-time audio webcast. A replay of the webcast and both presentations will also be available on our website.

The link is: <https://www.ir.randstad.com/results-and-reports/quarterly-results#qr-2017>

About Randstad

The Randstad Group is a global leader in the HR services industry and specialized in solutions in the field of flexible work and human resources services. We support people and organizations in realizing their true potential. Our services range from regular temporary Staffing and permanent placements to Inhouse Services, Professionals, and HR Solutions (including Recruitment Process Outsourcing, Managed Services Programs, and outplacement). Randstad has top-three positions in Argentina, Belgium & Luxembourg, Canada, Chile, France, Germany, Greece, India, Italy, Mexico, the Netherlands, Poland, Portugal, Spain, Sweden, Switzerland, the UK, and the United States, and major positions in Australia and Japan. At year-end 2016, Randstad had 36,524 corporate employees and 4,752 branches and Inhouse locations in 39 countries around the world. In 2016, Randstad generated revenue of € 20.7 billion. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad Holding nv is listed on the NYSE Euronext Amsterdam, where options for stocks in Randstad are also traded. For more information, see <https://www.randstad.com>.