

3rd quarter 2019 results.

sound margin performance and excellent
cash conversion

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Randstad N.V.
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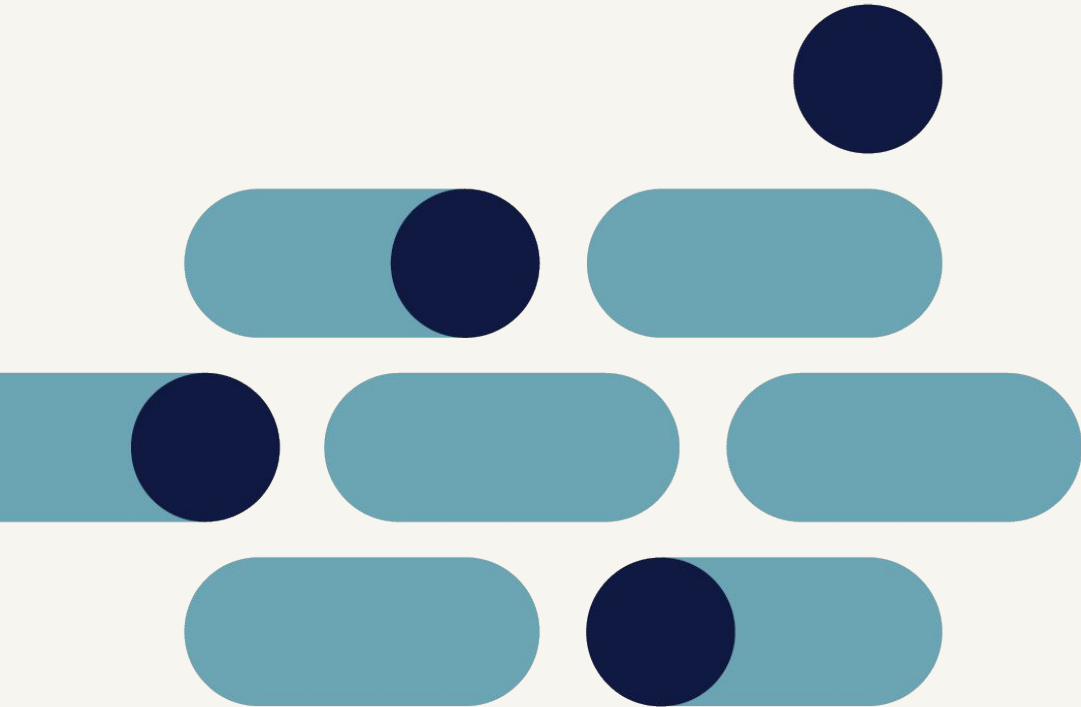


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definitions.



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.

Q3 2019 robust margins in uncertain macro environment.



key financials*

organic growth -2.5%

gross margin +30bp YoY

EBITA € 298m, 5.0% margin



highlights

market share gains

ROW up 7%, Profs up 2%

FCF € 468m



IT/digital strategy

digital strategy progressing

appointment CDO in EB

high customer adoption WFS

* all figures include IFRS 16, unless explicitly stated otherwise.

north america

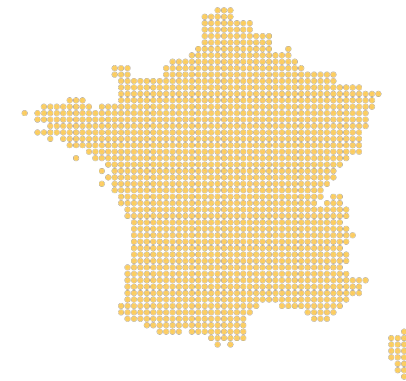
industrial slowdown, profs growing.



- revenue down 1% (Q2: +1%)
 - perm up 4% (Q2: +6%)
- US Staffing & Inhouse revenue down 4% (Q2: flat)
- US Professionals revenue up 2% (Q2: +2%)
- Canada revenue up 3% (Q2: +1%)
- EBITA margin at 6.2% vs. 6.4% LY

france

ahead of market at strong margins.



- revenue down 1% (Q2: down 2%)
 - perm up 4% (Q2: +7%)
- Staffing & Inhouse down 4% (Q2: down 5%)
- Professionals up 9% (Q2: +11%)
- EBITA margin at 6.2% vs. 5.4% LY

the netherlands impacted by automotive slowdown.



- revenue down 5% (Q2: down 3%)
 - perm down 18% (Q2: +2%)
- Staffing & Inhouse down 6% (Q2: down 4%)
- Professionals up 3% (Q2: +5%)
- EBITA margin at 5.6% vs. 5.9% LY

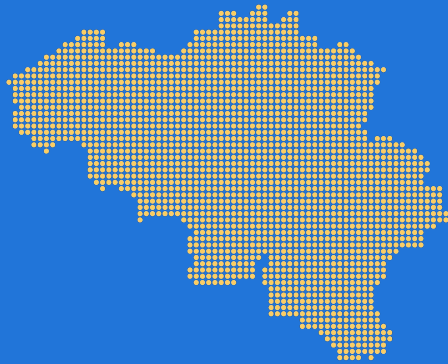
germany ongoing challenging conditions.



- revenue down 14% (Q2: down 15%)
- Staffing & Inhouse down 17% (Q2: down 19%)
- Professionals down 6% (Q2: down 4%)
- EBITA margin at 3.9% vs. 5.5% LY

belgium

robust profitability.



- revenue down 4% (Q2: down 4%)
 - impacted by automotive weakness
- EBITA margin at 6.2% vs. 6.1% LY
 - diversified portfolio paying off

italy

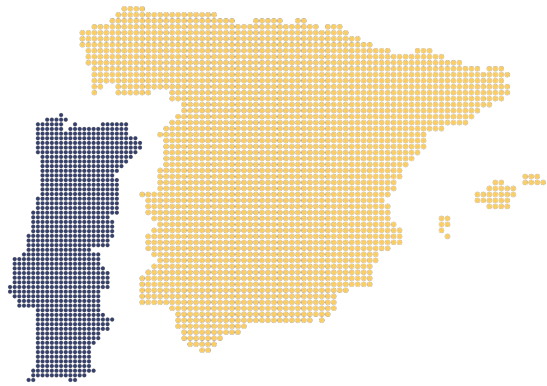
ahead of market.



- revenue down 2% (Q2: stable)
 - market outperformance
 - sound perm growth at 21% (Q2: +11%)
- EBITA margin at 5.9%, stable vs. LY

iberia

profitable growth continues.



- spain revenue up 1% (Q2: +3%)
 - strong pricing discipline and execution
- portugal revenue down 8% (Q2: down 3%)
- EBITA margin at 5.7% vs. 5.6% LY

other european countries
mixed trends.



- UK revenue down 2% (Q2: stable)
- nordics down 7% (Q2: down 7%)
- switzerland growth stable (Q2: +1%)
- poland down 7% (Q2: down 8%)
- EBITA margin at 3.8% vs. 3.7% LY

rest of the world
sound growth and profitability.



- japan growth up 8% (Q2: +9%)
- australia & new zealand down 1% (Q2: +2%)
- india up 19% (Q2: +19%)
- latin america up 21% (Q2: +28%)
- EBITA margin at 4.5% vs. 4.6% LY

global businesses
strategic investments.



- global businesses down 1% (Q2: down 2%)
- monster stable revenue decline versus Q2
 - restructuring announced
- sourceright global solid revenue growth
 - RPO growth +13%
 - implementation Randstad Enterprise Group
- EBITA margin at 0.9% vs. 1.5% LY

financial
results

& outlook.



Q3 2019 sound operational performance.



Q3 performance



Q3 key financials

| € million | Q3 '19 | Q3 '18 | % org. |
|------------------------------|-------------|-------------|--------------|
| revenue | 6,006 | 6,006 | (2)% |
| gross profit | 1,204 | 1,191 | (2)% |
| gross margin | 20.1% | 19.8% | |
| operating expenses* | 906 | 886 | 1% |
| opex % | 15.1% | 14.8% | |
| EBITA* | 298 | 305 | (4)% |
| EBITA margin* | 5.0% | 5.1% | |
| integration costs & one-offs | -/-62 | -/-16 | |
| amortization & impairment | -/-33 | -/-29 | |
| net finance income/(costs) | -/-14 | -/- 15 | |
| tax | -/-51 | -/-56 | |
| reported net income** | 140 | 190 | (26)% |
| adjusted net income | 207 | 220 | (6)% |

- organic revenue down 2.5%
- EBITA margin 5.0% (Q3 2018: 5.1%)
- balanced opex steering



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

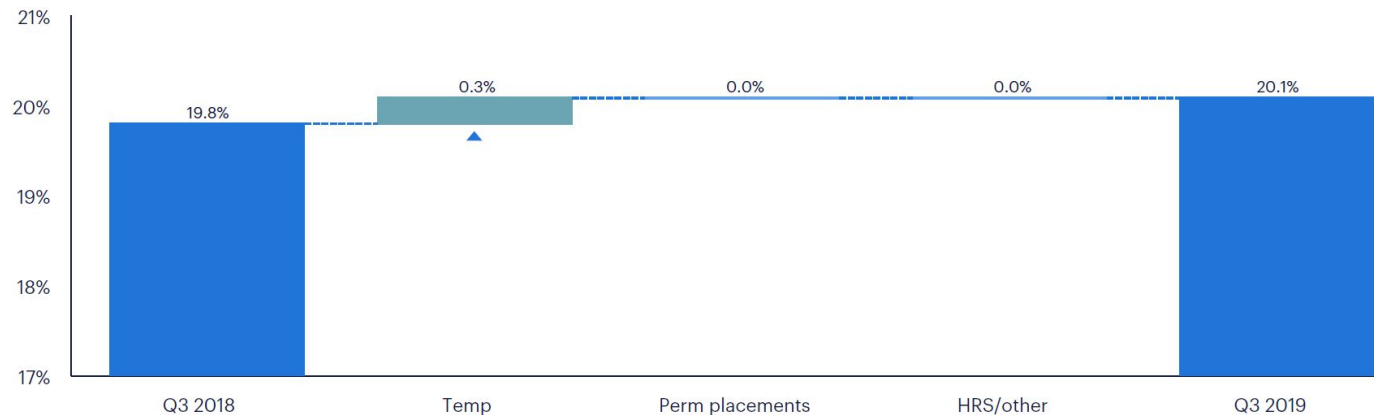
Q3 2019 continued sound pricing drives gross margin.



Q3 gross margin development YoY



Q3 highlights

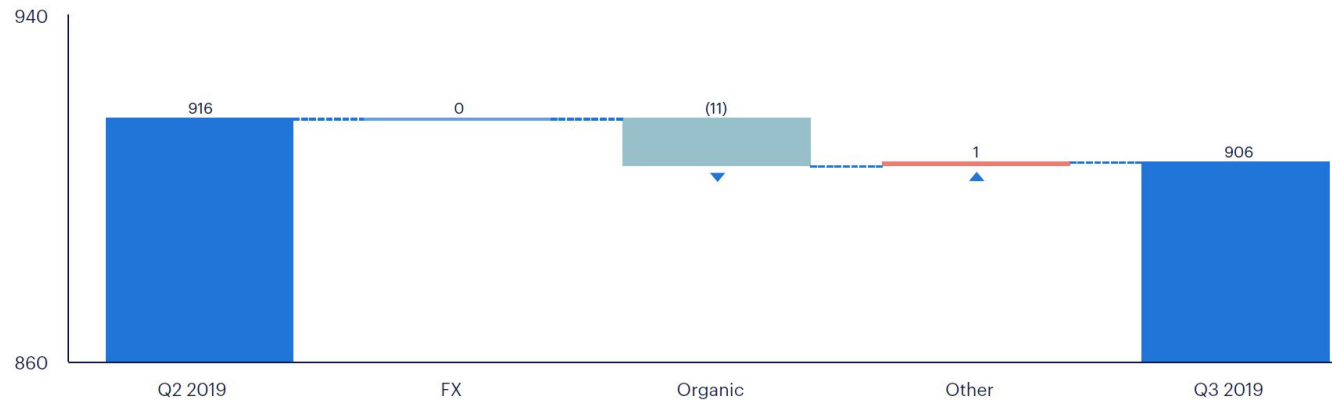


- temp margin impact + 30bp
- perm fees declined 1% YoY, no impact on gross margin
- HRS/other impact stable

balanced cost management in Q3 2019.



Q3 sequential opex bridge



Q3 cost management

- organic opex up 1% YoY, personnel expenses -1% YoY
- selective investments in growth areas, digital/IT spend up
- on track to deliver cost savings program

strong FCF generation in Q3 2019.



improved free cash flow YoY

- Q3 FCF € 468m (+ € 248m vs. Q3 2018)
 - strong working capital inflow, confirming the counter cyclical nature
 - DSO 53.7, down 0.3 days vs. Q3 2018
-



strong balance sheet

- net debt € 1,595m (down € 479m vs. LY) including lease liabilities due to IFRS 16
 - leverage ratio pre IFRS 16: 0.8 (Q3 2018: 1.2)
 - IFRS 16 has no impact on our capital allocation strategy
-

conclusion and outlook: navigating through uncertain times.



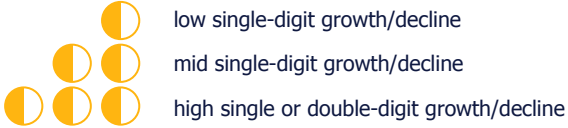
Q3 conclusion and outlook

- September trend in line with Q3
- Q4 2019 gross margin slightly lower sequentially, up YoY
- Q4 2019 operating expenses broadly stable sequentially



September exit rate

| | |
|-----|-----|
| NAM | ○ |
| FR | |
| NL | ○○ |
| GER | ○○○ |
| BEL | ○○ |
| IBE | |
| IT | ○ |
| RoE | ○ |
| RoW | ●● |
| GLO | ○ |



questions



& answers.

appendices



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outlets by region.

| end of period | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | Q3 2018 |
|--------------------------|---------|---------|---------|---------|---------|
| North America | 1,152 | 1,123 | 1,138 | 1,142 | 1,119 |
| France | 635 | 631 | 628 | 625 | 645 |
| the Netherlands | 661 | 656 | 660 | 658 | 664 |
| Germany | 577 | 580 | 589 | 601 | 601 |
| Belgium & Luxembourg | 334 | 333 | 329 | 326 | 322 |
| Italy | 259 | 262 | 264 | 265 | 264 |
| Iberia | 376 | 375 | 377 | 371 | 369 |
| Other European countries | 478 | 472 | 450 | 430 | 441 |
| Rest of the world | 246 | 244 | 239 | 241 | 241 |
| Global businesses | 138 | 131 | 127 | 134 | 134 |
| total | 4,856 | 4,807 | 4,801 | 4,793 | 4,800 |

corporate staff by region.

| average | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | Q3 2018 |
|--------------------------|---------|---------|---------|---------|---------|
| North America | 5,660 | 5,600 | 5,680 | 5,840 | 5,840 |
| France | 4,640 | 4,580 | 4,540 | 4,540 | 4,590 |
| the Netherlands | 4,180 | 4,240 | 4,270 | 4,370 | 4,380 |
| Germany | 2,680 | 2,870 | 2,880 | 3,080 | 3,180 |
| Belgium & Luxembourg | 2,120 | 2,090 | 2,050 | 2,130 | 2,230 |
| Italy | 2,240 | 2,250 | 2,240 | 2,270 | 2,260 |
| Iberia | 2,170 | 2,180 | 2,200 | 2,220 | 2,240 |
| Other European countries | 3,730 | 3,700 | 3,710 | 3,780 | 3,810 |
| Rest of the world | 5,830 | 5,660 | 5,540 | 5,420 | 5,260 |
| Corporate | 250 | 240 | 250 | 250 | 250 |
| Global businesses | 4,750 | 4,830 | 4,910 | 5,010 | 5,060 |
| total | 38,250 | 38,240 | 38,270 | 38,910 | 39,100 |

staffing employees by region.

| average | Q3 2019 | Q3 2018 |
|--------------------------|---------|---------|
| North America | 93,000 | 99,700 |
| France | 89,800 | 86,000 |
| the Netherlands | 74,600 | 81,700 |
| Germany | 39,800 | 47,500 |
| Belgium & Luxembourg | 49,800 | 51,900 |
| Italy | 50,400 | 51,100 |
| Iberia | 66,700 | 71,700 |
| Other European countries | 59,600 | 65,000 |
| Rest of the world | 118,900 | 109,600 |
| Global businesses | 9,800 | 10,000 |
| total | 652,400 | 674,200 |

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human forward

