

randstad analyst seminar.

London, December 2019



agenda.

differentiating strategy - Jacques van den Broek (CEO)	09:00 - 09:30
creating capacity for competitive growth - Henry Schirmer (CFO)	09:30 - 10:00
Q&A	10:00 - 10:30
end webcast session & break	
enterprise workshop - Rebecca Henderson (Board member) and Tania de Decker (MD)	10:45 - 11:15
Q&A	11:15 - 11:45
closing remarks - Jacques van den Broek	11:45 - 12:00
networking lunch	12:00 - 13:00

differentiating strategy.

Jacques van den Broek, CEO

analyst seminar London, December 2019



looking back: analyst breakfast October 2018 digital strategy in full swing.

- tech is easy, change is hard
- the workforce scheduling journey
- data driven sales
- talent engagement
- enterprise



our ultimate goal

by 2030, we will touch the work lives of 500 million people worldwide.



our mission

shaping the world of work

our purpose

we support people and organizations in realizing their true potential.

our positioning

Human Forward: a trusted human partner in the technology-driven world of talent.

our core values

- to know, to serve, to trust
- simultaneous promotion of all interests
- striving for perfection

our ultimate goal

by 2030, we will touch the work lives of 500 million people worldwide.

we are future
proofing Randstad

- long-term value for all our stakeholders
- clear growth leader 'consistently above market'
- superior valuation (multiple)
- strong focus on ROIC



our ultimate goal

by 2030, we will touch the work lives of 500 million people worldwide.

our Human Forward promises

1. transparency

Clients get insight into how their HR needs are being met and talents know where they stand in their job search.

2. guidance

Clients have an HR partner throughout the business lifecycle and talents have a partner in every step of their career.

3. proactivity

Clients stay steps ahead in the competitive world of talent and candidates find jobs before they start looking.

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our winning capabilities

our 38,000 employees are rewriting the industry across the world...

creating speed for our clients & talents through our Human Forward promises...

enabled by state-of-the-art technology...

delivering advisory and insights backed by the world's largest talent data engine...

bringing value through recruitment marketing & employer branding...

combining our strengths to engage talent better, faster and more successfully than anyone in the industry.

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our strategic priorities

To realize our ultimate goal we need to accelerate, scale, innovate, be more proactive and make more matches.

- embed digital transformation
- build a stronger one Randstad
- continuously upskill and reskill our talent
- accelerate in career coaching and SOW
- create largest talent engine
- drive enterprise growth together
- grow faster in North America and Japan
- reposition our Innovation Fund
- be recognized as a Top 100 Brand

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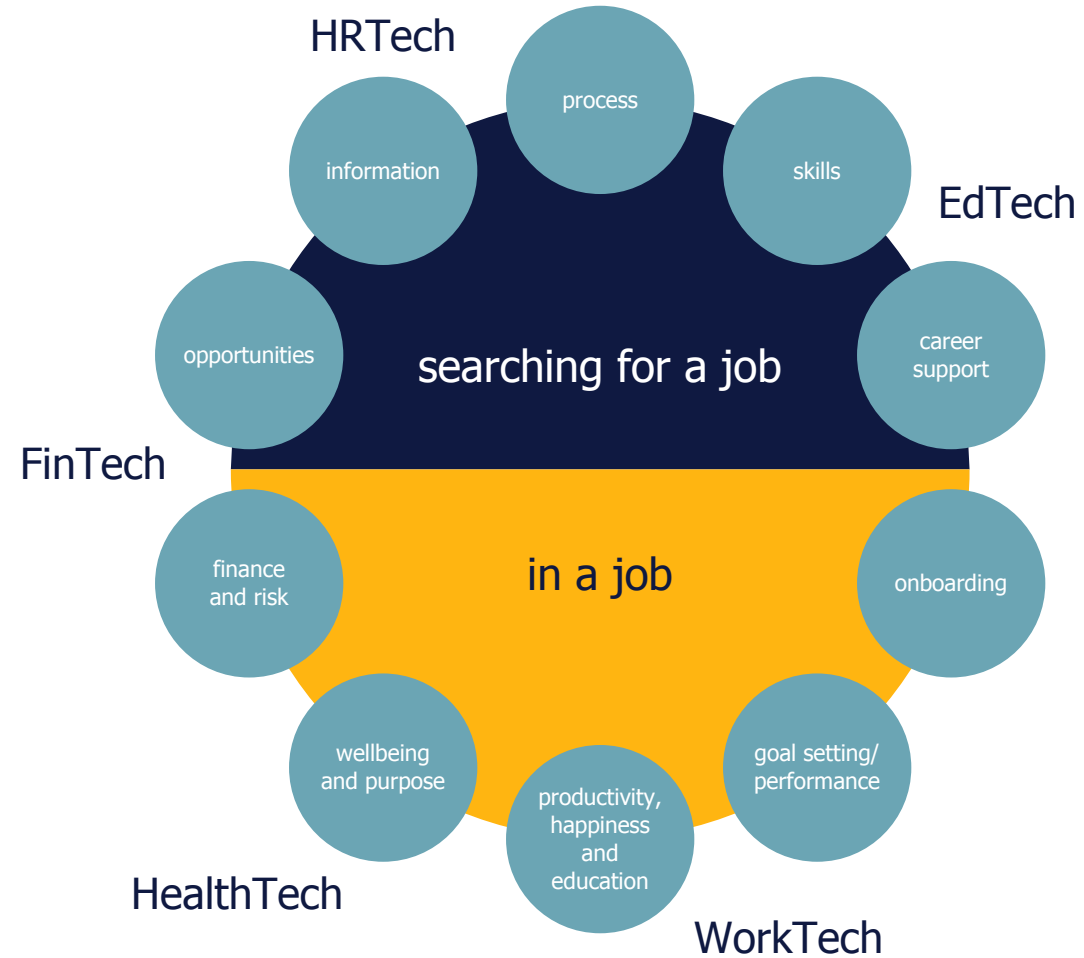
creating focus through our strategic priorities.

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larger ecosystem wheel of working life.

Working life is a journey.
We want to make the journey
easier, more transparent, more
rewarding and more fulfilling.
By touching people's working
life, we bring human forward
– step by step.

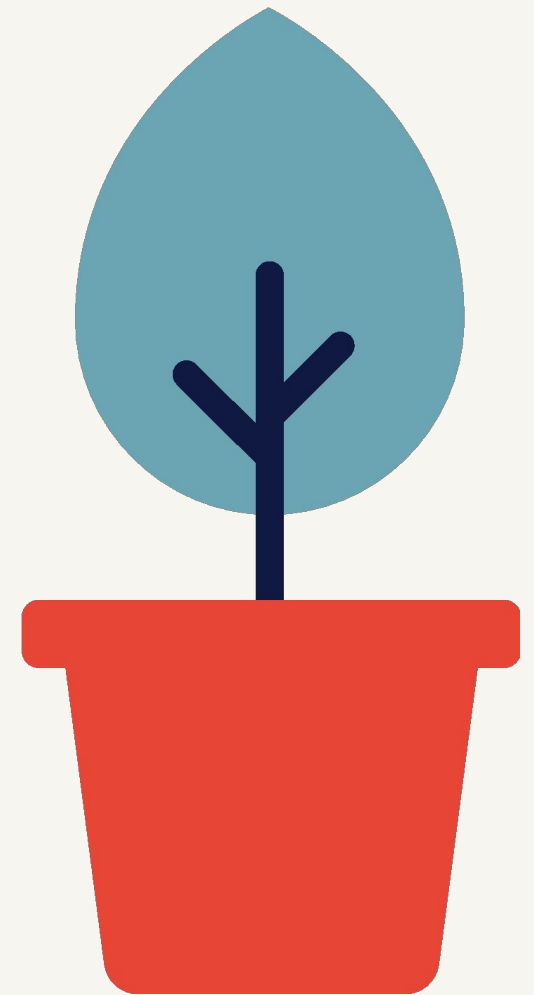
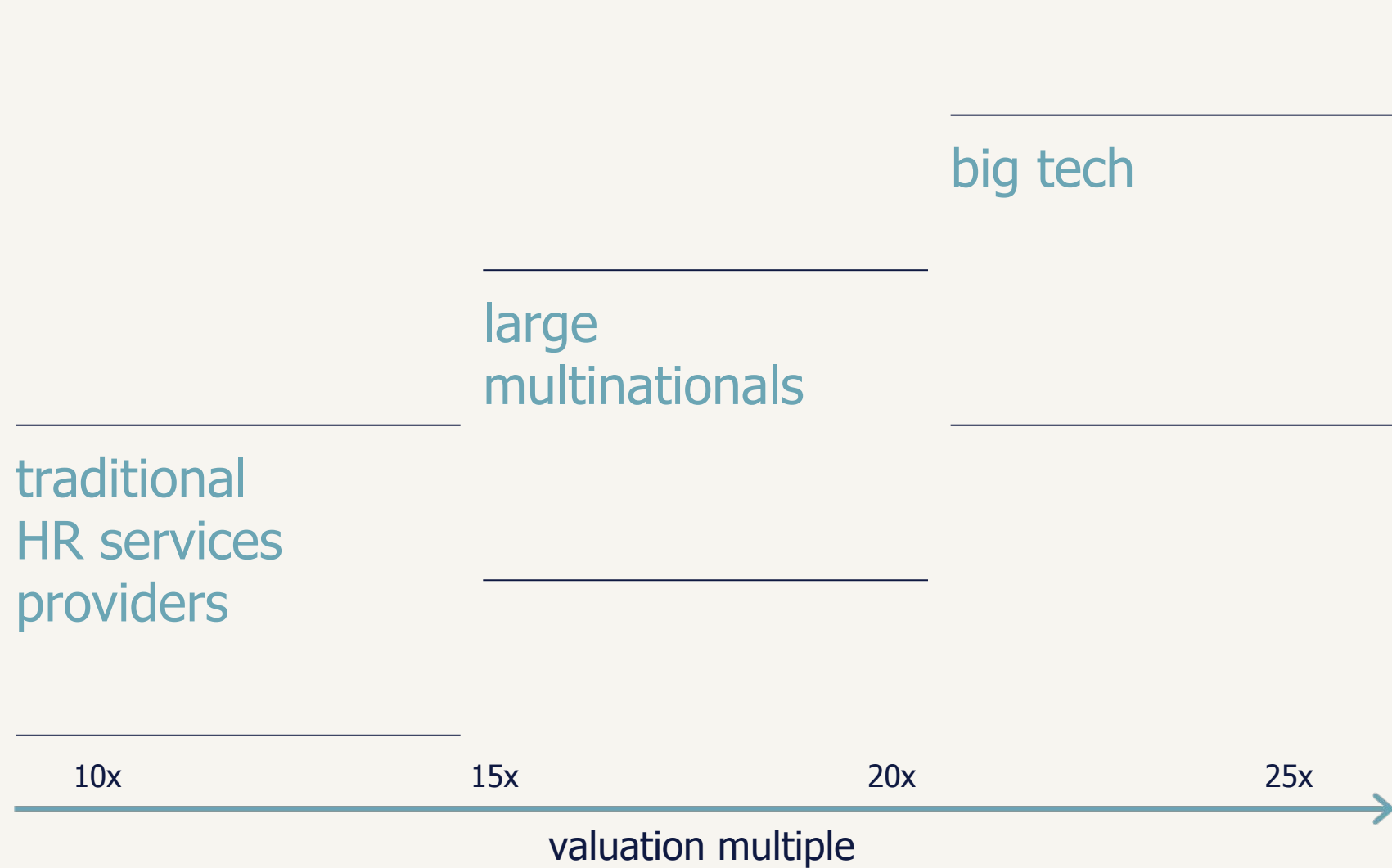


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what is our future state?



digital strategy

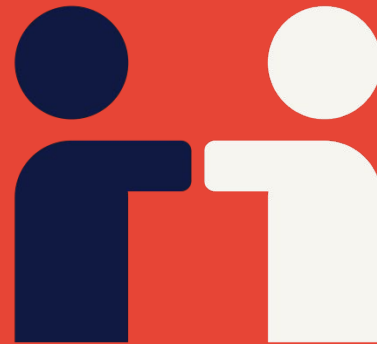
in full swing.



tech is easy, change is hard.



drive
business
results



strengthen
digital
foundation



learn
how to
change

how we change the way to engage with talent and clients at scale.



talent & client
engagement



user interface



matching



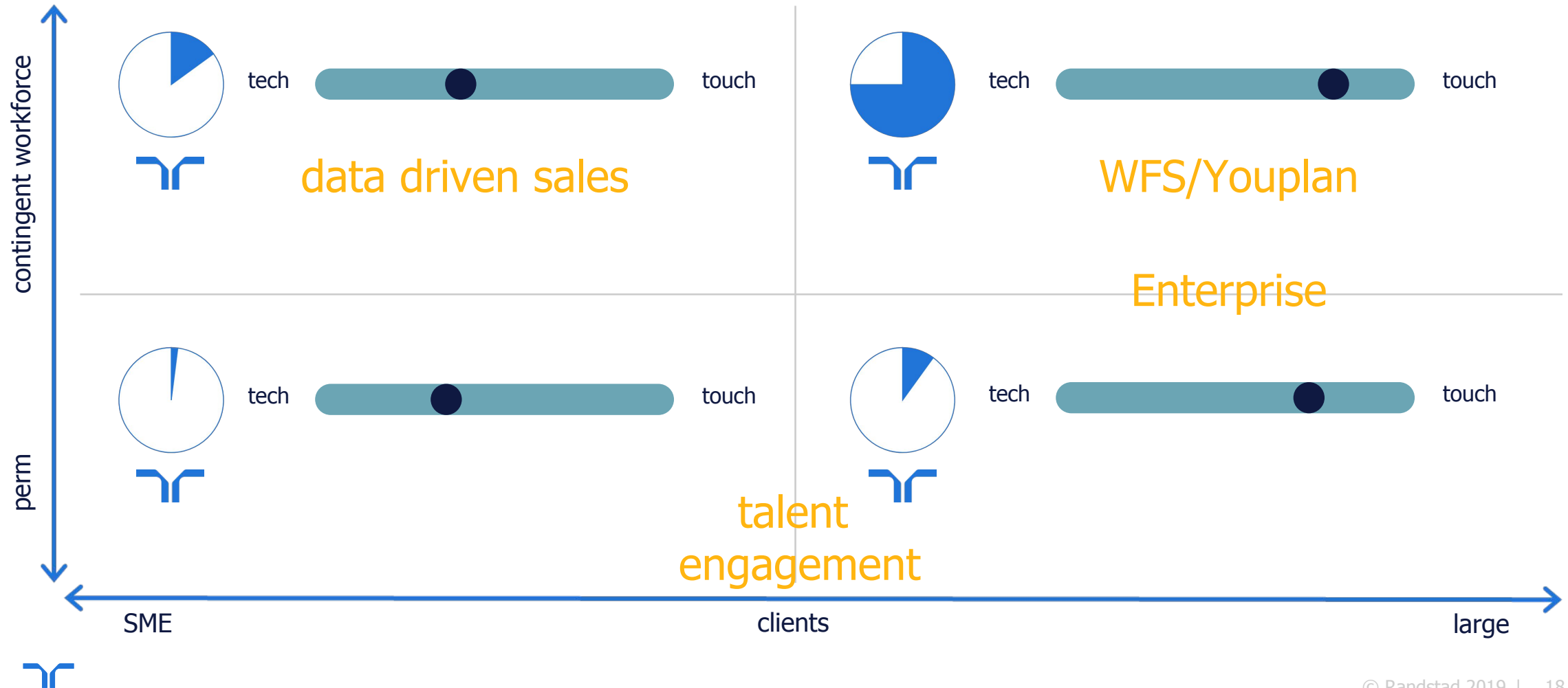
data collection



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



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2019 facts digital initiatives - metrics that matter

data driven sales

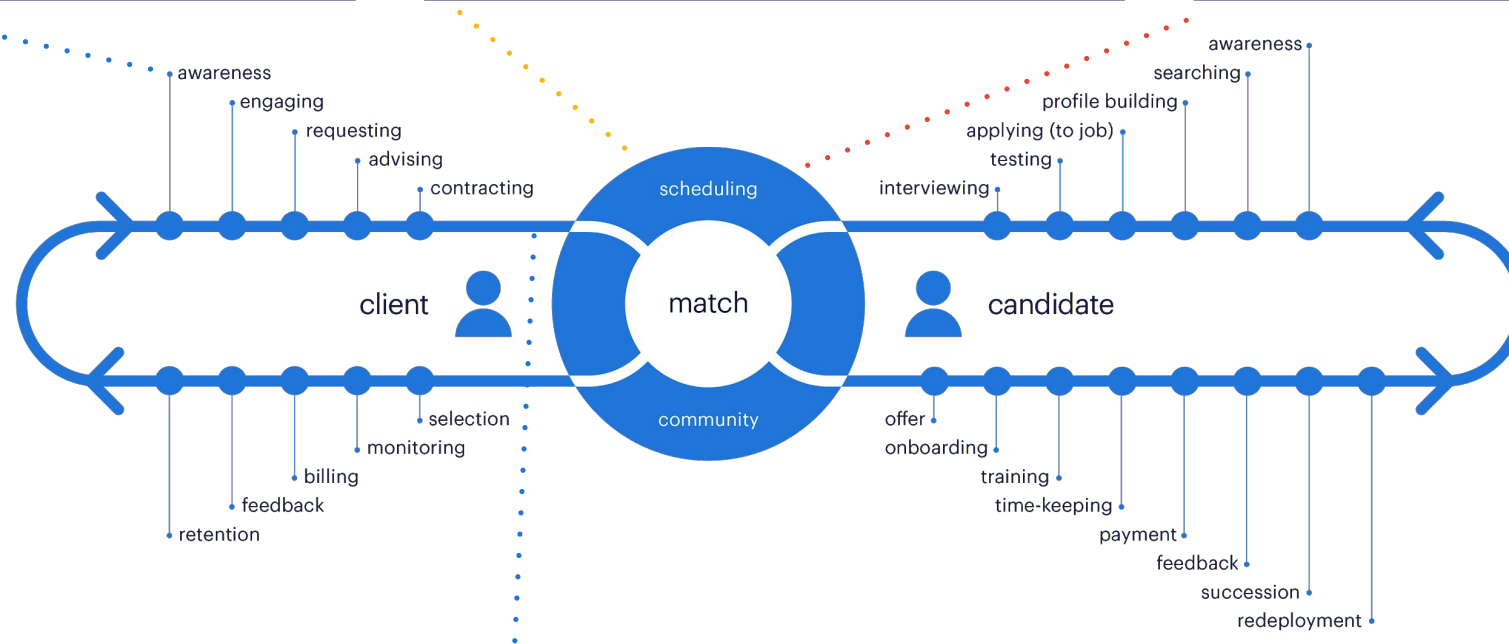
25% more visits

workforce scheduling: Inhouse

15% pool churn

workforce scheduling: Youplan

812 locations



customer delight

8+ NPS

value based pricing

30bp higher GM YoY Q3 2019

web platform performance

11% more applications YoY



key competitive differentiators.



differentiating long-term strategy

- clear strategic priorities, monetizing data towards clients and talents
- digital transformation progressing well
- gearing for accelerated growth with attractive shareholder returns

financial highlights

- € 120 million cost savings identified by 2021
- trading conditions in October and November are broadly in line with Q3
- ambition maintained to protect our EBITA margin YoY for FY 2019
- pre-IFRS 16 leverage ratio of around 0.7 for 2019 projected



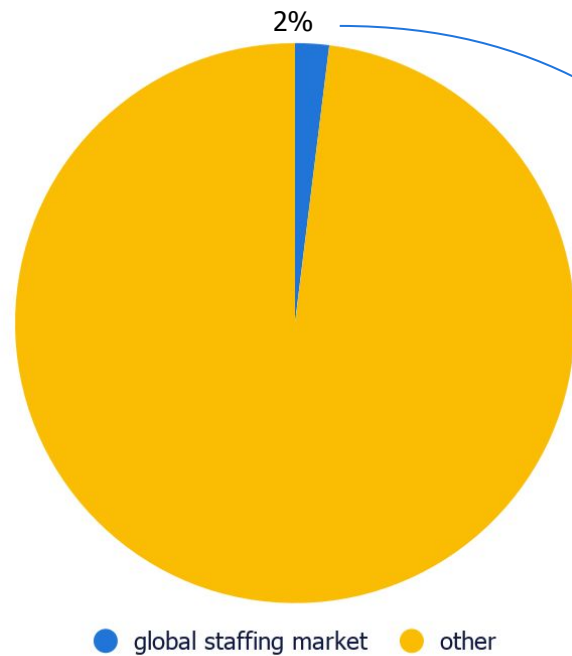
creating capacity for competitive growth.

Henry Schirmer, CFO

analyst seminar London, December 2019

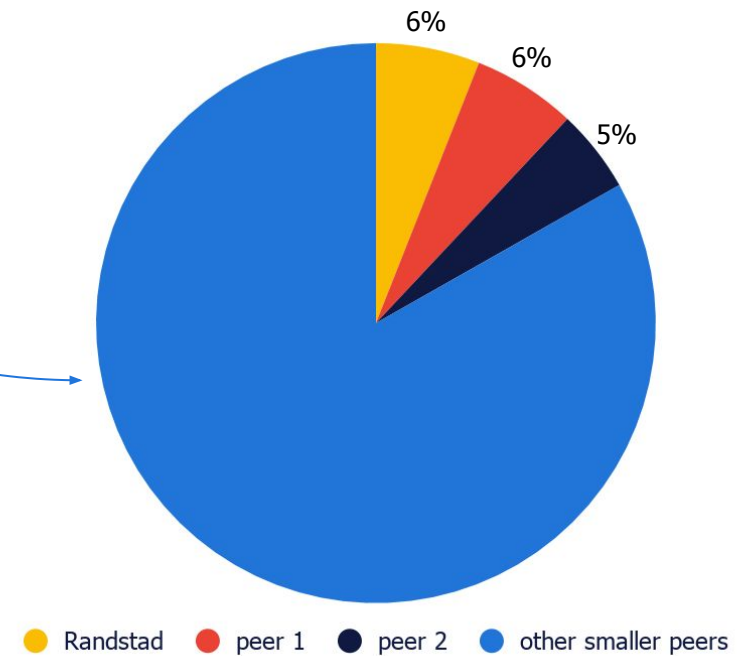
our world - a major growth opportunity.

global labor market



source: World Employment Confederation 2019

global staffing market (€ 416bn)

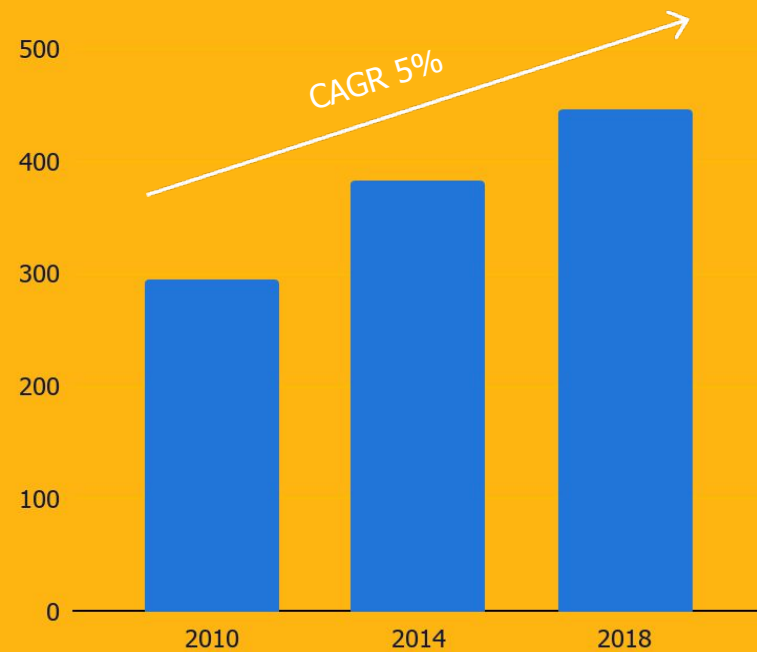


source: Staffing Industry Analysts 2018



our world - a major growth opportunity.

global staffing market
2010 – 2018 (€ bn)



structural growth drivers

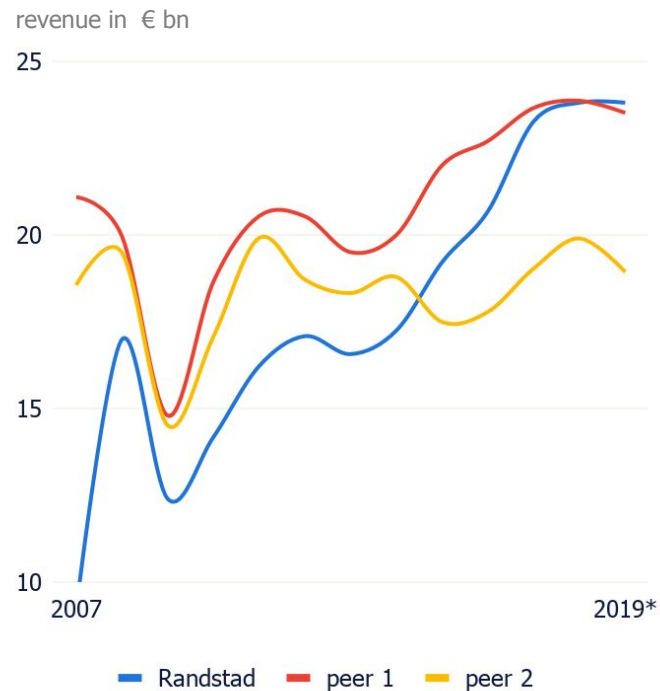
- globalization & urbanization
- technological progress & automation
- demographics
- changing nature of work
- mobility

source: Staffing Industry Analysts 2018

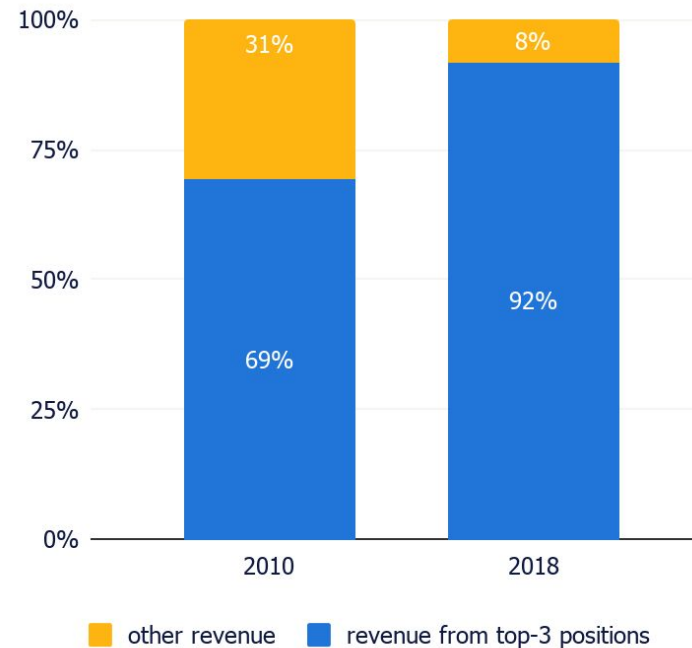


strong topline growth improving competitive position.

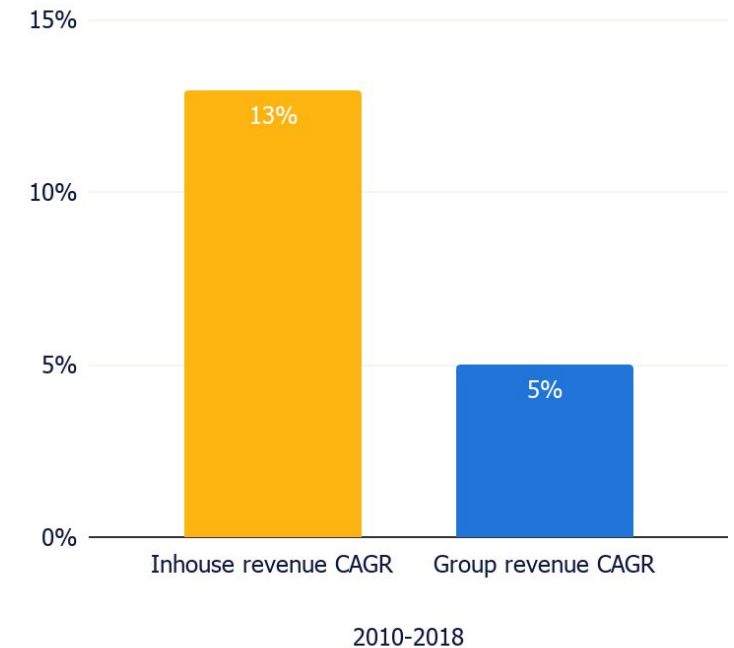
our road to leadership



quality of results



inhouse growth driver

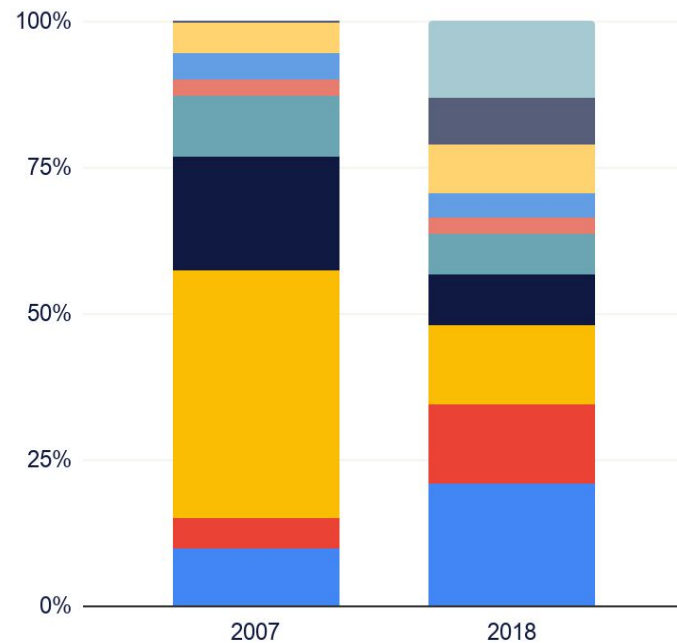


* based on Bloomberg consensus



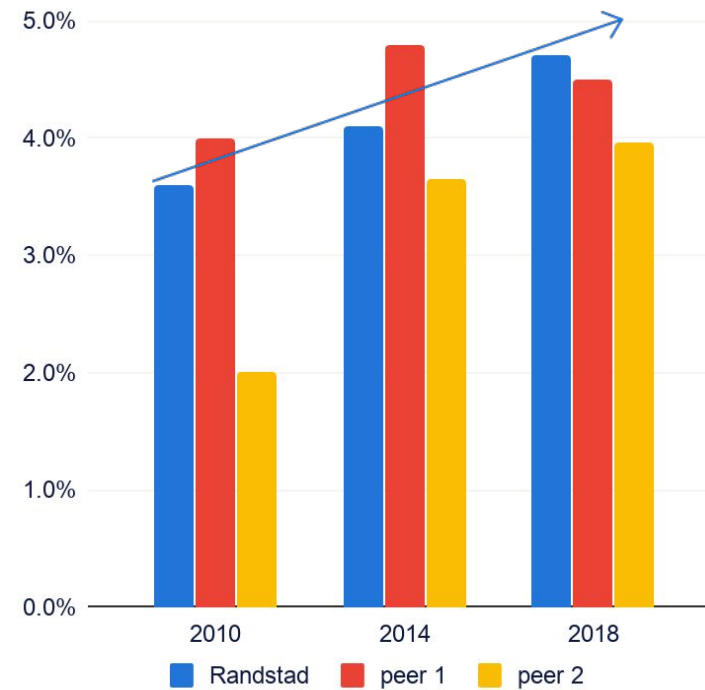
more resilient and profitable portfolio translating into strong shareholder returns.

gross profit diversification

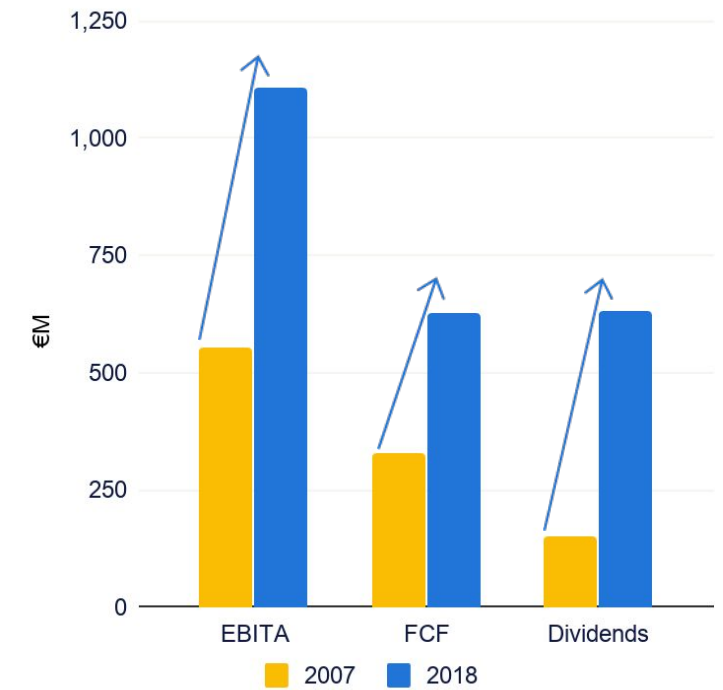


colour indicates country weight in total GP

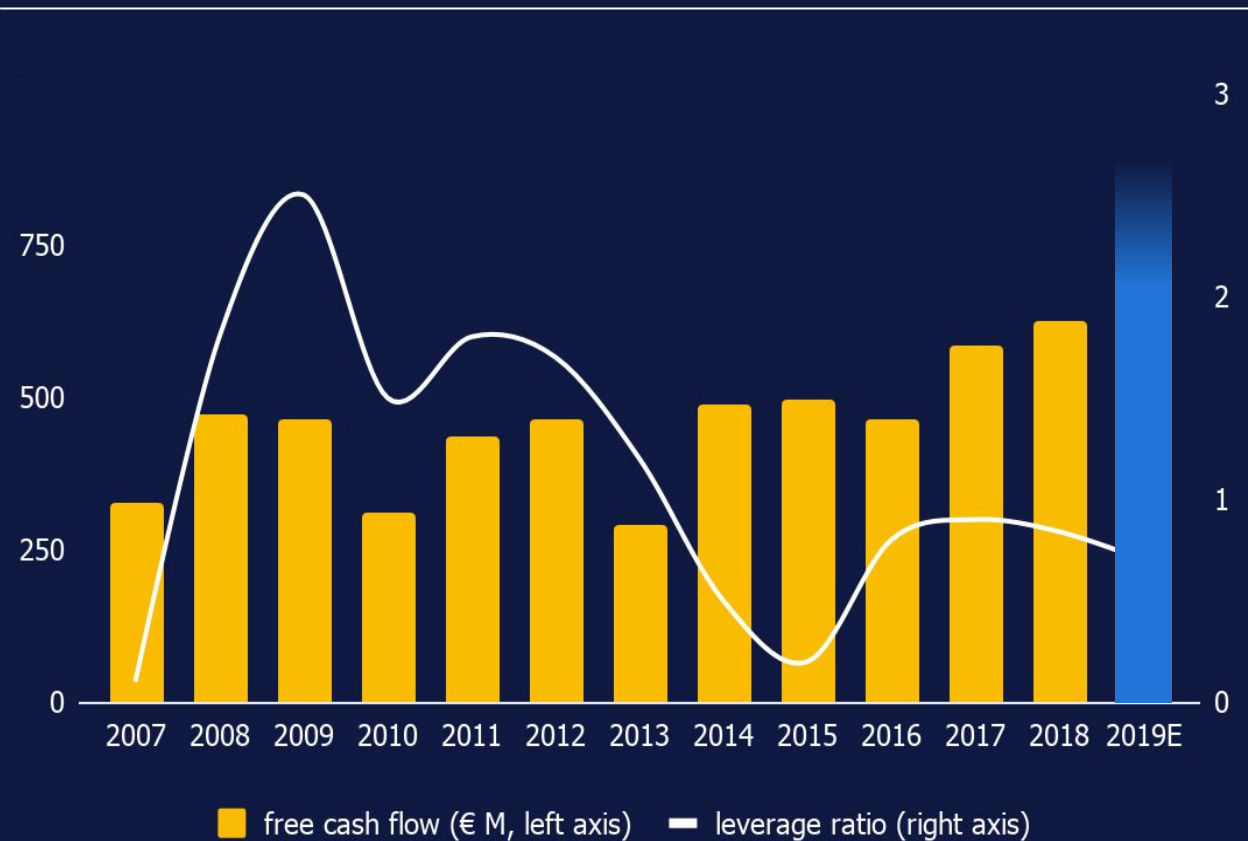
leading EBITA margin



strong conversion



resilient and growing FCF over the past 12 years.



transparent capital allocation strategy.



organic growth investments

cash dividend policy with payout 40 – 50% of earnings;
floor cash dividend of € 1.62 per share

bolt on M&A opportunities

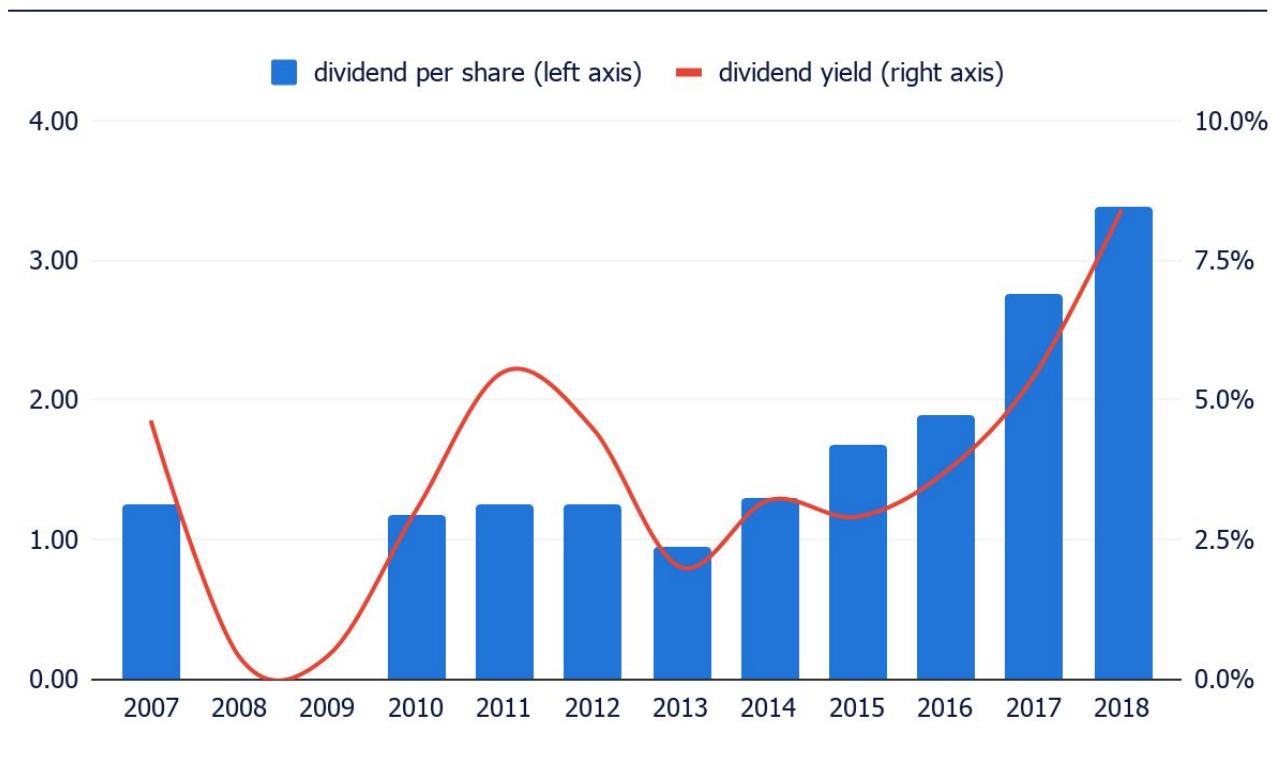
when leverage ratio < 1.0
-> optional additional cash returns to shareholders

special cash dividend

share buybacks

attractive shareholder returns.

dividend per share



creating a more resilient company.

active portfolio management

- diversified geographic portfolio
- more resilient portfolio by concept
- industry clusters

fuel for growth

- activity based field steering
- flexibilizing the cost structure
- freeing up trapped resources

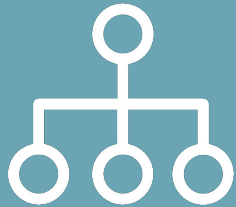
dynamic resource allocation

- balancing short/long term returns
- securing strategic priorities
- tight performance management

creating a better connected randstad.

combine scale with speed and customer intimacy

from



to



leveraging data to ...

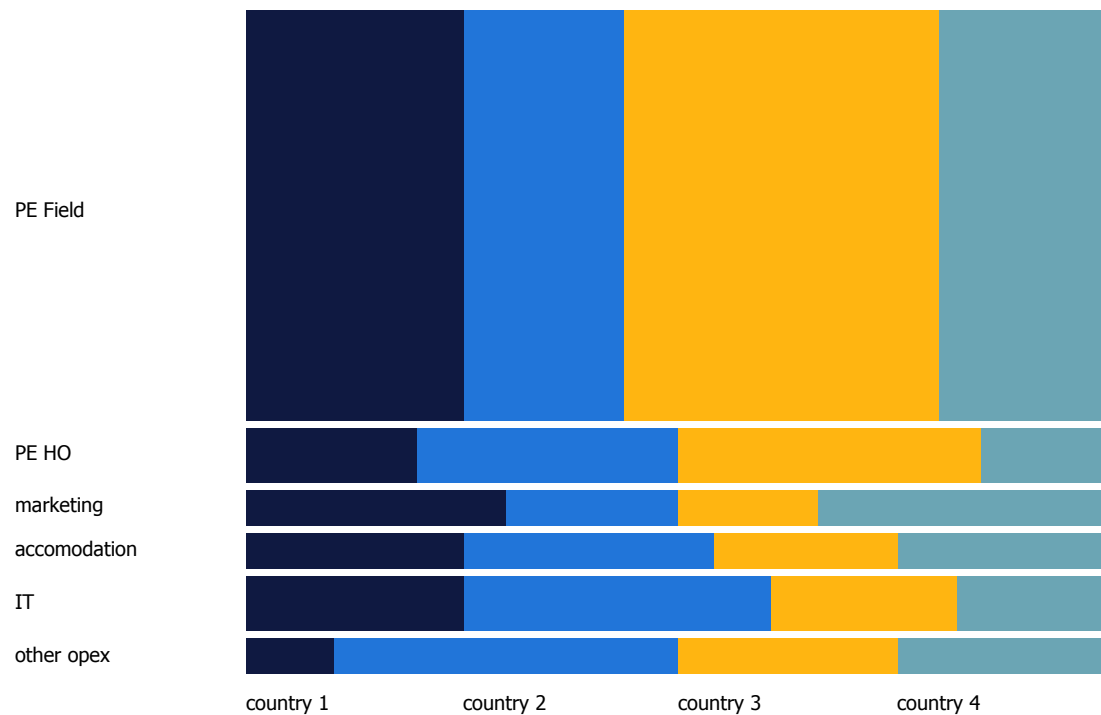
- drive field productivity
- create deeper talent pools
- improve value proposition, value based pricing

freeing up trapped resources

- reduce duplication
- increase impact of innovation
- lifting the floor / benchmarking

creating capacity for future growth € 120 million opportunity by 2021.

freeing up trapped resources



shifting cost paradigms

- addressing total cost base of € 3.6bn
- utilizing benefit of one randstad
- granular external/internal benchmarking
- from closing the gap to creating competitive advantage

future proofing randstad.



leading principles

- securing strategic investments
- create capacity for growth
- drive profitability and FCF

simultaneous promotion of interest



questions



& answers.

introducing Randstad Enterprise Group.

Rebecca Henderson, Board member
Tania de Decker, MD

analyst seminar London, December 2019



enterprise customer buying has transformed.

62%

down the purchase path
before they consider
engaging with sales

75%

would consider extending
an existing contract if they
received a compelling
renewal proposal

13

influential customer
contacts engaged in
a buying process





enterprise together.

We are redefining how enterprise organizations get work done to create a distinctive and lasting talent advantage.

what does this mean for randstad.

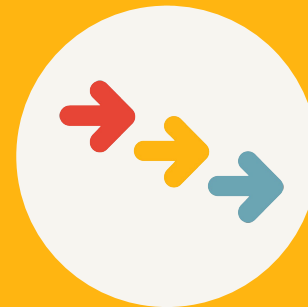
- strengthening the entry point to C-suite enterprise buyers through the [global leader in RPO and MSP](#) - Randstad Sourceright
- world-class [global account management models](#) and bringing best practices into our way of working across the group
- strengthened [global sales](#) across Randstad's full portfolio and capabilities
- optimized support from the [business-enabling functions for our teams and clients](#) – innovation, marketing & comms, customer/market intelligence, bid management, pricing etc.
- elevated [customer value propositions](#) and creating new strategic workforce models



bold



agile



innovative

key talent trends point to an increasingly integrated talent environment that we can lead in.

81%

of human capital leaders say the work they do is helping their organization prepare for the future

2/3

say the talent gap is widening and will create greater challenges in the near future

86%

say their biggest competitors for talent are companies with the same internal skill-set and companies operating in digitally-led industries

41%

say they are facing scarcity in the IT/technical job family and 64% expect to provide reskilling to meet business needs

48%

are providing upskilling opportunities for current employees and 42% want to make more of an effort but don't know how

72%

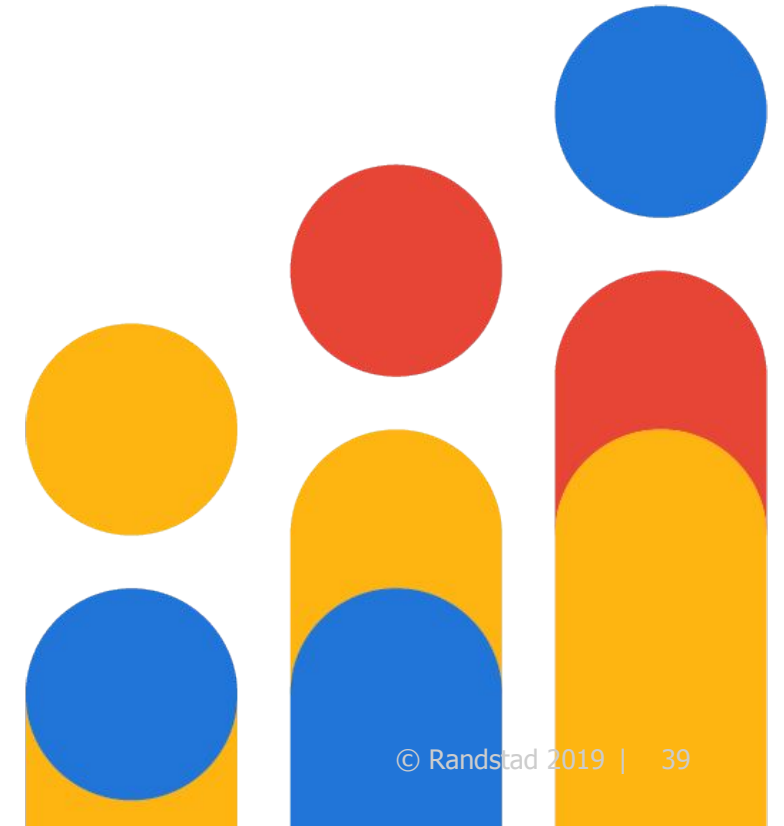
will look to implement a Total Talent Model to better align talent strategy to business imperatives in the next 12 months

55%

are increasing budget toward total talent models, with 1/3 wishing their organizations would invest more

88%

say predictive workforce analytics tools are very important to the success of driving total talent



Source: Randstad Sourceright 2020 Talent Trends Survey, 830 human capital leaders in 17 countries

by investing in competitive differentiation.



we will engage customers with a customer-centric segmentation model.



current revenue threshold & total potential



current service lines delivered to client

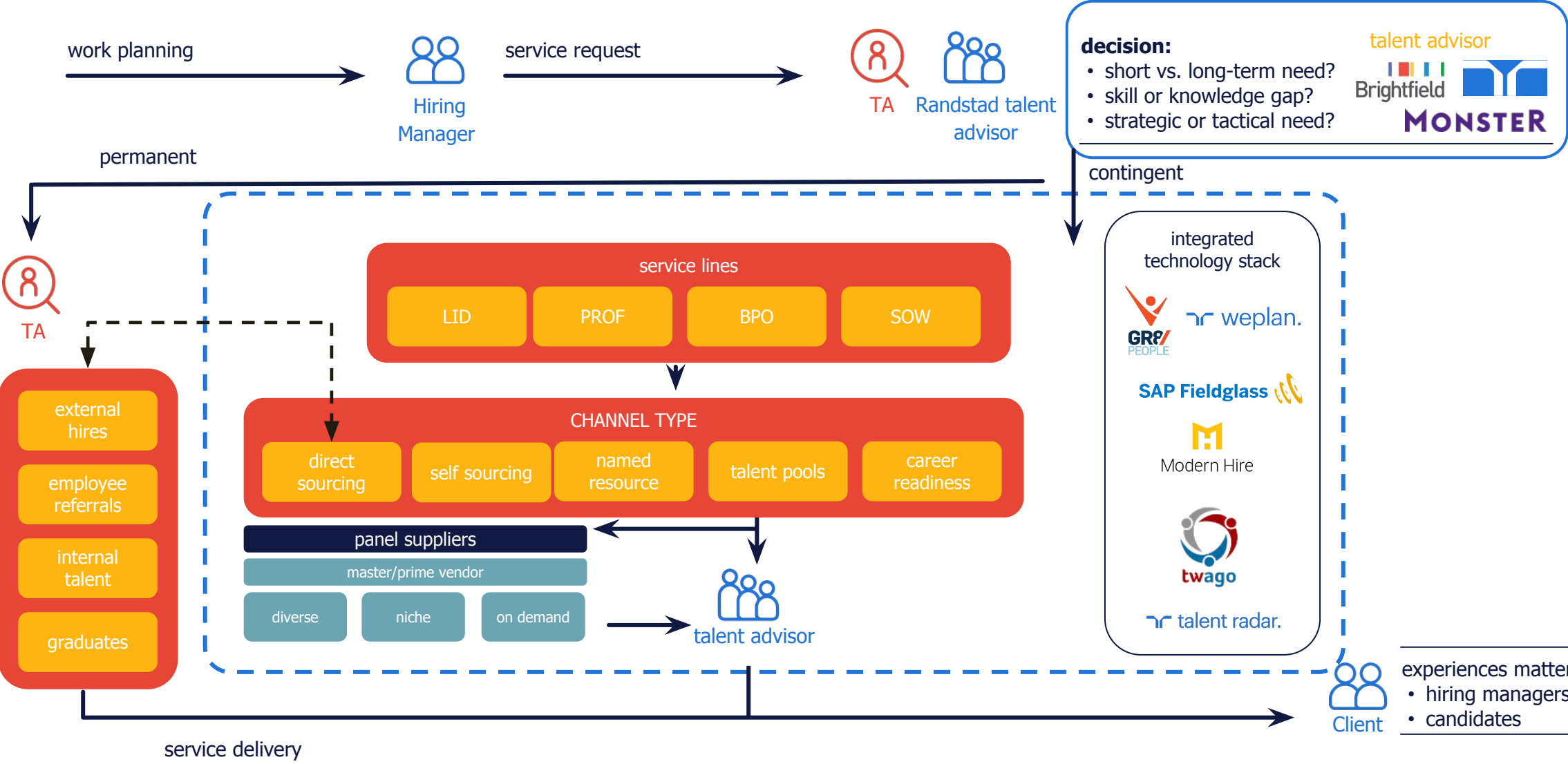


geographical scope & governance required

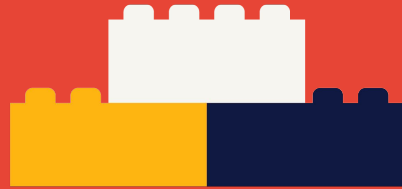


client stakeholder engagement/organisational complexity

vision: total talent delivery model.



the power of our collaboration.



diamond client

one team | one voice | one experience

executive
sponsorship

connected solution
& delivery model

ground breaking new
delivery model
preparing Randstad
for the future

model integrated with
our digital products

dedicated
pursuit team

strong financial
business case

5 year contract -
based on co-creation
and partnership

integrating all
Randstad concepts



questions



& answers.

closing remarks



Jacques van den Broek.

randstad

human forward.

