

3rd quarter results 2022.



contents

Q3 2022: strong performance,
continued margin expansion.

financial performance

- 4 core data
- 7 invested capital
- 8 cash flow summary

performance

- 9 performance by geography

other information

interim financial statements

Q3 2022: strong performance, continued margin expansion.



Q3 2022 organic growth

6.8%

Q3 2022 underlying EBITA

€ 336m

Q3 2022 EBITA margin

4.8%

gross profit +11% YoY, enabled by our diverse portfolio.

gross margin of 21.0%, up 110 bp YoY; driven by business mix and pricing discipline.

EBITA margin up 10bp YoY; opex as % of revenue down by 50bp QoQ to 16.2%.

strong growth in perm (+23% YoY) and RPO (+55% YoY), combined c. 21% of gross profit.

acquisition of the Finite Group in Australia & New Zealand, specialist in technology recruitment and IT services.

in early October, number of employees working marginally lower YoY.

"We have delivered another strong quarter, capturing profitable growth in Inhouse, Professionals, perm and RPO in all geographies." says CEO Sander van 't Noordende.

"While we have seen client activity moderate slightly, demand for talent remained solid in the quarter. Due to talent scarcity the relationship between employers and employees has changed significantly in recent years. In this new world of work, Randstad is increasingly the "partner of choice" for both talent and clients resulting in strong performance this quarter. We are pleased to have completed the acquisition of the Finite Group, which broadens our Technology proposition in Australia and New Zealand.

Whilst we are still vigilant to the elevated level of macroeconomic uncertainty we see in our markets, we are confident in our ability to navigate the current environment and remain laser focused on delivering for our talent and clients."

financial performance.

core data

in millions of €, unless otherwise indicated - underlying	Q3 2022	Q3 2021	yoy change	% org.
Revenue	7,054	6,275	12%	7%
Gross profit	1,481	1,251	18%	11%
Operating expenses	1,145	953	20%	12%
EBITA, underlying ¹	336	298	13%	6%
Integration costs and one-offs	(13)	(15)		
EBITA	323	283	14%	
Amortization and impairment of intangible assets ²	(7)	(13)		
Operating profit	316	270		
Net finance income/(costs)	(8)	(1)		
Share of profit of associates	-	-		
Income before taxes	308	269	14%	
Taxes on income	(78)	(70)		
Net income	230	199	16%	
Adj. net income for holders of ordinary shares ³	243	217	12%	
Free cash flow	257	297	(13)%	
Net debt	675	234	188%	
Leverage ratio (net debt/12-month EBITDA) ⁴	0.4	0.2		
Leverage ratio (net debt/12-month EBITDA) excluding IFRS 16 ⁵	0.1	(0.3)		
DSO (Days Sales Outstanding), moving average	52.5	51.6		
Margins (in % of revenue)				
Gross margin	21.0%	19.9%		
Operating expenses margin	16.2%	15.2%		
EBITA margin, underlying	4.8%	4.7%		
Share data				
Basic earnings per ordinary share (in €)	1.25	1.07	17%	
Diluted earnings per ordinary share, underlying (in €) ³	1.32	1.17	13%	

1 EBITA adjusted for integration costs and one-offs.

2 Amortization and impairment of acquisition-related intangible assets and goodwill.

3 Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs. See table 'Earnings per share' on page 24.

4 Leverage ratio including IFRS 16.

5 Leverage ratio excluding IFRS 16, based on best estimates.

revenue

Organic revenue per working day grew by 6.8% YoY in Q3 2022 resulting in revenue of € 7,054 million (Q2 2022: up 9.1%). Reported revenue was up 12.4% YoY, of which working days had a negative impact of 0.5% effect while FX had a positive effect of 4.2%. M&A positively contributed 1.9%.

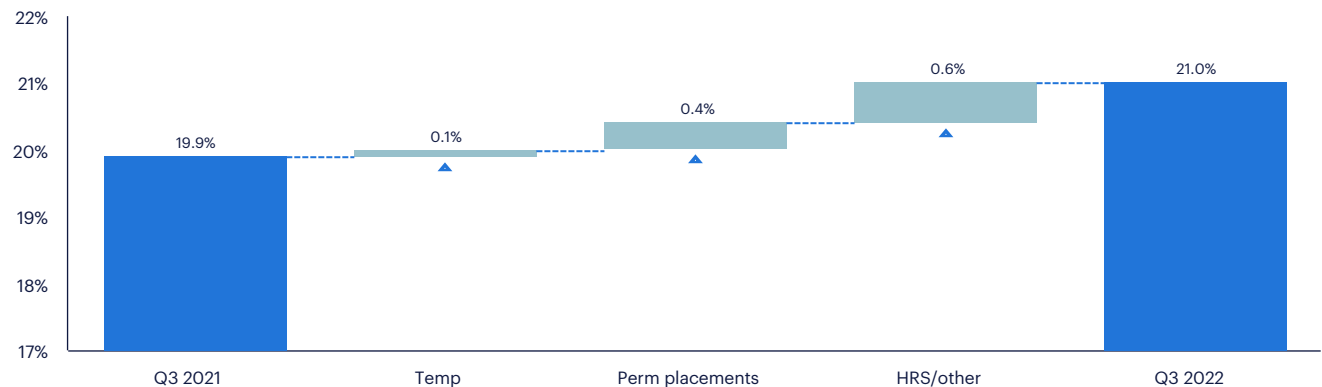
In North America, revenue per working day was up 6% (Q2 2022: up 10%). Growth in the US was up 6% (Q2 2022: up 10%), while Canada was up 9% YoY (Q2 2022: up 16%). In Europe, revenue per working day grew by 5% (Q2 2022: up 7%). Revenue in France was up 9% (Q2 2022: up 7%), while the Netherlands was stable (Q2 2022: up 1%). Germany was up 5% (Q2 2022: up 4%), while revenue growth in Belgium was stable (Q2 2022: up 4%). Revenue in Italy was up 9% (Q2 2022: up 20%), while revenue in Iberia was up 8% (Q2 2022: up 13%). In the 'Rest of the world' region, revenue was up by 11% (Q2 2022: up 12%); Japan increased by 9% (Q2 2022: up 11%), while Australia & New Zealand rose by 12% (Q2 2022: up 16%).

Perm fees increased by 23% YoY (Q2 2022: up 38%), with Europe up 35% YoY (Q2 2022: up 38%) and North America up 15% YoY (Q2 2022: up 46%). In the 'Rest of the world' region, perm fees increased by 14% (Q2 2022: up 23%). Perm fees made up 12.9% of gross profit.

gross profit

In Q3 2022, gross profit amounted to € 1,481 million. Organic growth was 10.6% YoY (Q2 2022: up 16.9%). Currency effects had a positive € 70 million impact on gross profit compared to Q3 2021.

year-on-year gross margin development (%)

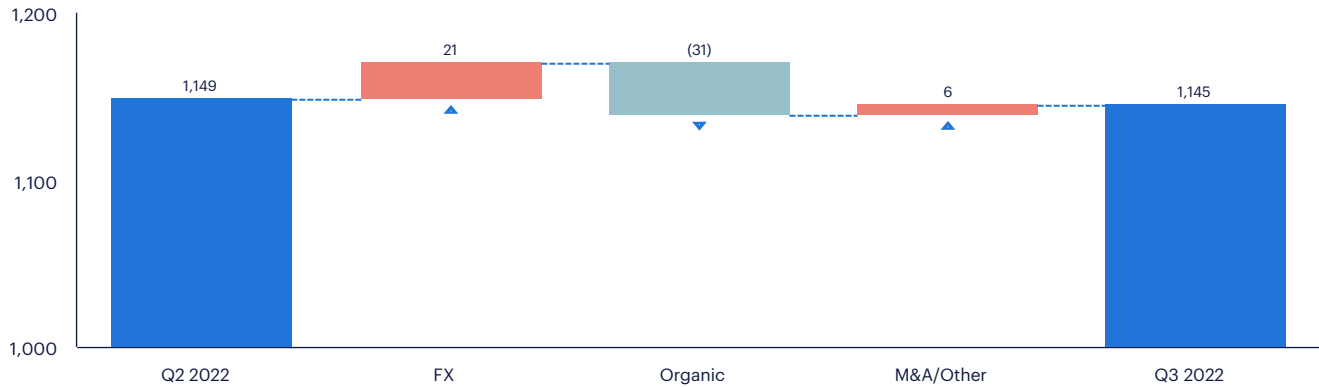


Gross margin was 21.0% in the quarter, 110bp above Q3 2021 (as shown in the graph above). Temporary placements had a 10bp positive impact on gross margin (Q2 2022: 40bp positive impact). Permanent placements had a 40bp positive impact, while HRS/other had a 60bp positive impact.

operating expenses

On an organic basis, operating expenses decreased by € 31 million sequentially to € 1,145 million. Compared to last year, operating expenses were up 12% organically (Q2 2022: up 18%), while currency effects had a € 57 million negative impact.

sequential OPEX development Q2-> Q3 in € M



Personnel expenses were down 3% sequentially. Average headcount (in FTE) amounted to 47,540 for the quarter, organically up 15% YoY and up 3% sequentially (net addition of 1,220 FTE excl. M&A). Productivity (measured as gross profit per FTE) was down 4% YoY (Q2 2022: down 3%). We operated a network of 4,966 outlets end of period (Q2 2022: 4,934).

Operating expenses in Q3 2022 were adjusted for a total of € 13 million of integration costs and one-offs (Q3 2021: € 15 million). This mainly reflects integration costs for our recent acquisitions and restructurings in a few countries.

EBITA

Underlying EBITA increased organically by 6% YoY to € 336 million. Currency effects had a € 13 million positive impact YoY. EBITA margin reached 4.8% in the quarter, 10bp above Q3 2021. Overall, we achieved a 23% organic incremental conversion on a last four quarter basis in Q3 2022.

net finance costs

In Q3 2022, net finance costs were € 8 million, compared to € 1 million net finance costs in Q3 2021. Interest expenses on our net debt position were € 3 million (Q3 2021: € 1 million), and interest expenses related to lease liabilities were € 4 million (Q3 2021: € 2 million). Foreign currency and other effects had a negative impact of € 1 million (Q3 2021: positive € 2 million).

tax

The underlying effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs amounted to 25.6% in the first nine months (9M 2021: 26.1%), and is based on the estimated effective tax rate for whole year 2022. For FY 2022, we expect an effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs of between 24% and 26%.

net income, earnings per share

In Q3 2022, adjusted net income was up 12% YoY to € 243 million. Diluted underlying EPS amounted to € 1.32 (Q3 2021: € 1.17). The average number of diluted ordinary shares outstanding for the quarter was 183.6 million (Q3 2021: 185.2 million).

invested capital

in millions of €, unless otherwise indicated	sep 30 2022	jun 30 2022	mar 31 2022	dec 31 2021	sep 30 2021	jun 30 2021
Goodwill and acquisition-related intangible assets	3,414	3,180	3,112	3,088	3,053	2,951
Operating working capital (OWC) ¹	1,320	1,238	1,102	997	857	897
Net tax assets ²	564	630	608	615	651	690
All other assets/(liabilities) ³	102	95	(299)	617	336	338
Employed capital	5,400	5,143	4,523	5,317	4,897	4,876
Financed by						
Total equity	4,725	4,397	4,162	4,902	4,663	4,440
(Net Cash)/Net debt excl. lease liabilities	74	147	(240)	(179)	(346)	(160)
Lease liabilities	601	599	601	594	580	596
Net debt incl. lease liabilities	675	746	361	415	234	436
Invested capital	5,400	5,143	4,523	5,317	4,897	4,876
Ratios						
DSO (Days Sales Outstanding), moving average	52.5	52.1	51.8	51.6	51.6	52.1
OWC as % of revenue over last 12 months	4.8%	4.7%	4.3%	4.0%	3.6%	4.0%
Leverage ratio (net debt/12-month EBITDA)	0.4	0.5	0.2	0.3	0.2	0.4
Return on invested capital ⁴	18.6%	19.2%	21.6%	16.8%	16.1%	14.0%

1 Operating working capital: Trade and other receivables minus the current part of financial assets, deferred receipts from disposed Group companies and interest receivable minus trade and other payables excluding interest payable.

2 Net tax assets: Deferred income tax assets and income tax receivables less deferred income tax liabilities and income tax liabilities.

3 All other assets/(liabilities), mainly containing property, plant & equipment, right of use assets, software plus financial assets and associates, less provisions and employee benefit obligations and other liabilities. As at September 30, and June 30, 2022, € 514 million dividends payable is included (September and June 30, 2021 € 298 million)

4 Return on invested capital: underlying EBITA (last 12 months) less income tax paid (last 12 months) as percentage of invested capital.

Return on invested capital (ROIC) amounted to 18.6%, an increase of 250bp YoY. This is mainly a reflection of an improvement of our 12-month rolling EBITA.

The moving average of Days Sales Outstanding (DSO) was 52.5 (Q2 2022: 52.1).

At the end of Q3 2022, net debt including lease liabilities was € 675 million, compared to € 234 million at the end of Q3 2021. A further analysis of the cash flow is provided in the next section.

The € 514 million dividends payable as included in our balance sheet was paid on October 4, 2022.

cash flow summary

in millions of €	Q3 2022	Q3 2021
EBITA	323	283
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	74	77
EBITDA	397	360
Operating working capital	(13)	45
Provisions and employee benefit obligations	8	(7)
All other items	8	12
Income taxes	(52)	(30)
Net cash flow from operating activities	348	380
Net capital expenditures	(38)	(33)
Repayments of lease liabilities	(53)	(50)
Free cash flow	257	297
Net (acquisitions)/disposals	(170)	(110)
Net finance costs paid	(6)	(1)
Translation and other effects	(10)	16
Net decrease of net debt	71	202

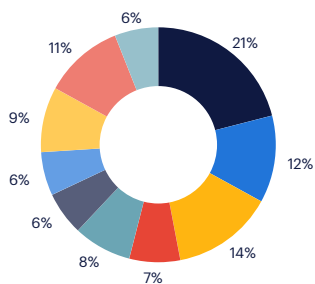
In the quarter, free cash flow amounted to € 257 million, down € 40 million YoY (Q3 2021: € 297 million). Free cash flow mainly reflects the YoY improvement in EBITA, offset by the effect of working capital movements and timing of tax payments.

performance.

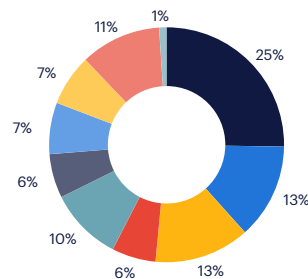
performance by geography

split by geography

Q3 2022: revenue € 7,054 million



Q3 2022: EBITA € 336 million



revenue in millions of €	Q3 2022	Q3 2021	organic Δ% ¹	9M 2022	9M 2021	organic Δ% ¹
North America	1,458	1,153	6%	4,127	3,260	10%
France	992	908	9%	2,930	2,668	9%
Netherlands	855	852	0%	2,620	2,498	4%
Germany	511	486	5%	1,495	1,392	7%
Italy	535	496	9%	1,671	1,420	18%
Belgium & Luxembourg	437	432	0%	1,266	1,177	5%
Iberia	427	398	8%	1,223	1,089	12%
Other European countries	631	594	6%	1,860	1,697	8%
Rest of the world	803	641	11%	2,209	1,814	13%
Global businesses	405	315	17%	1,160	866	24%
Revenue	7,054	6,275	7%	20,561	17,881	10%

¹ Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

EBITA in millions of €, underlying	Q3 2022	EBITA margin ¹	Q3 2021	EBITA margin ¹	organic Δ% ²	9M 2022	EBITA margin ¹	9M 2021	EBITA margin ¹	organic Δ% ²
North America	93	6.5%	67	5.8%	15%	261	6.3%	156	4.8%	43%
France	49	4.9%	46	5.0%	8%	148	5.0%	138	5.2%	8%
Netherlands	49	5.7%	65	7.5%	(24)%	158	6.0%	173	6.9%	(9)%
Germany	22	4.1%	13	2.9%	51%	39	2.6%	26	1.9%	46%
Italy	35	6.5%	30	5.9%	19%	116	6.9%	83	5.8%	41%
Belgium & Luxembourg	22	5.1%	25	5.7%	(10)%	61	4.8%	62	5.2%	(6)%
Iberia	26	5.8%	24	6.1%	2%	69	5.6%	59	5.4%	16%
Other European countries	24	3.9%	24	4.0%	2%	64	3.4%	49	2.9%	29%
Rest of the world	40	5.1%	30	4.7%	17%	112	5.1%	91	5.0%	15%
Global businesses	5	1.2%	1	0.4%	164%	11	1.0%	1	0.1%	347%
Corporate	(29)		(27)			(109)		(78)		
EBITA before integration costs and one-offs ³	336	4.8%	298	4.7%	6%	930	4.5%	760	4.2%	17%
Integration costs and one-offs	(13)		(15)			(62)		2		
EBITA	323		283			868		762		

1 EBITA in % of total revenue per segment.

2 Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

3 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs.

north america

In North America, revenue was up 6% YoY (Q2 2022: up 10%). Perm fees were up 15% YoY (Q2 2022: up 46%). In Q3 2022, revenue of our combined US businesses was up 6% YoY (Q2 2022: up 10%). US Staffing/Inhouse Services grew by 4% YoY (Q2 2022: up 8%). US Professionals revenue was up 8% YoY (Q2 2022: up 13%). In Canada, revenue was up 9% YoY (Q2 2022: up 16%). EBITA margin for the region came in at 6.5% for the quarter, compared to 5.8% last year.

france

In France, revenue was up 9% YoY (Q2 2022: up 7%). Perm fees were up 12% compared to last year (Q2 2022: up 20%). Staffing/Inhouse Services revenue was up 5% YoY (Q2 2022: up 5%), while our Professionals business was up 22% YoY (Q2 2022: up 14%). EBITA margin was 4.9% compared to 5.0% last year.

netherlands

In the Netherlands, revenue was stable (Q2 2022: up 1%). Overall perm fees were up 53% YoY (Q2 2022: up 65%). Our combined Staffing and Inhouse Services business was down 3% YoY (Q2 2022: down 1%), while our Professionals business was up 15% YoY (Q2 2022: up 12%). EBITA margin in the Netherlands was 5.7%, compared to 7.5% last year.

germany

In Germany, revenue per working day was up 5% YoY (Q2 2022: up 4%). Perm fees were up 41% compared to last year (Q2 2022: up 52%). Our combined Staffing/Inhouse Services business was up 5% YoY (Q2 2022: up 4%), while Professionals was up 6% YoY (Q2 2022: up 3%). EBITA margin in Germany was 4.1%, compared to 2.9% last year.

italy

Revenue per working day in Italy was up 9% YoY (Q2 2022: up 20%). Overall perm fees were up 29% YoY (Q2 2022: up 50%). EBITA margin was 6.5%, compared to 5.9% last year.

belgium & luxembourg

In Belgium & Luxembourg, revenue was stable YoY (Q2 2022: up 4%). Our Staffing/Inhouse Services business was stable (Q2 2022: up 6%). Our EBITA margin was 5.1%, compared to 5.7% last year.

iberia

In Iberia, revenue per working day was up 8% YoY (Q2 2022: up 13%). Perm fees were up 47% compared to last year (Q2 2022: up 75%). Staffing/Inhouse Services combined was up 8% YoY (Q2 2022: up 13%). Spain was up 8% YoY (Q2 2022: up 15%), while in Portugal revenue was up 10% YoY (Q2 2022: up 9%). Overall EBITA margin was 5.8%, compared to 6.1% last year.

other european countries

Across 'Other European countries', revenue per working day was up 6% YoY (Q2 2022: up 6%). In the UK, revenue was up 3% YoY (Q2 2022: up 5%), while in the Nordics, revenue was up 12% YoY on an organic basis (Q2 2022: up 14%). Revenue in our Swiss business was up 5% YoY (Q2 2022: up 10%). Overall EBITA margin for the 'Other European countries' region was 3.9% compared to 4.0% last year.

rest of the world

Total revenue in the 'Rest of the world' region increased by 11% organically YoY (Q2 2022: up 12%). In Japan, revenue grew 9% YoY (Q2 2022: up 11%). Revenue in Australia/New Zealand was up 12% YoY (Q2 2022: up 16%), while revenue in China decreased by 4% YoY (Q2 2022: up 4%). Our business in India was up 18% YoY (Q2 2022: up 16%), while in Latin America revenue was up 9% (Q2 2022: stable). Overall EBITA margin in this region was 5.1%, compared to 4.7% last year.

global businesses

Total organic revenue growth per working day was up 17% YoY (Q2 2022: up 25%). Randstad Sourceright revenue increased by 21% YoY (Q2 2022: up 32%), while Monster revenue was down 4% YoY (Q2 2022: up 1%). Overall EBITA margin came in at 1.2% compared to 0.4% last year.

performance by revenue category

revenue in millions of €	Q3 2022	Q3 2021	organic Δ% ¹
Staffing	3,250	3,166	1%
Inhouse Services	1,765	1,483	15%
Professionals	1,634	1,311	12%
Global Businesses	405	315	17%
Revenue	7,054	6,275	7%

¹ Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

Total revenue of permanent placements in the revenue categories 'Staffing', 'Inhouse', and 'Professionals', amounted to € 187 million in Q3 2022 (Q3 2021: € 143 million). Revenue of recruitment process outsourcing within Global businesses amounted to € 121 million in Q3 2022 (Q3 2021: € 69 million).

other information.

outlook

Organic revenue per working day increased by 6.8% YoY in Q3 2022. The total number of employees placed on a temporary basis was around 1% lower YoY in Q3, with the month-on-month trend remaining stable throughout the quarter. In early October, the total number of employees working was marginally lower YoY.

Q4 2022 gross margin and operating expenses are both expected to be broadly in line sequentially.

There will be an adverse 1.2 working day impact in Q4 2022.

acquisition of Finite Group in Australia & New Zealand

In Q3 2022, Randstad Australia completed its acquisition of the Finite Group in Australia & New Zealand. The Finite Group specializes in technology recruitment, IT consulting and a broad array of IT & Digital professional services. Leveraging an extensive network of both contractors and permanently employed technical staff, Finite Group provides a wide range of services and capabilities to its significant customer base.

share repurchase program

Randstad intends to offset the dilutive effect from its performance share plans for senior management through share buybacks. The next allocation of shares will take place in February 2023. Randstad will commence a buyback program to purchase up to 200,000 shares in Randstad N.V. ("Randstad"), up to a maximum principal amount of € 25 million, in the period between October 26, 2022 and November 23, 2022 (inclusive).

The share repurchase program will be carried out under the mandate given by the Annual General Meeting of Shareholders on March 29, 2022. Within the limits set at that meeting, the maximum price to be paid for shares will be 110% of the closing price of the one preceding trading day on the Euronext Amsterdam stock exchange. Any purchases of shares will be carried out on Euronext Amsterdam and /or Cboe DXE in accordance with certain pre-set parameters in accordance with Article 5(1) of Regulation EU No 596/2014.

Randstad has mandated ABN AMRO Bank N.V. ("ABN AMRO") to undertake the program (between October 26, 2022 and November 23, 2022 (inclusive)). ABN AMRO will make its trading decisions with regard to the number of shares to be purchased and the timing of the purchases independently of Randstad. ABN AMRO's instruction to purchase the shares is irrevocable.

Randstad will provide weekly updates on the progress of the program on its corporate website in the investor relations section and to the AFM. Once the maximum number of shares has been repurchased, Randstad will immediately disclose the finalization of the program..

working days

	Q1	Q2	Q3	Q4
2022	63.2	62.1	64.8	62.7
2021	62.4	62.2	65.1	63.9
2020	63.6	61.6	65.1	63.7

financial calendar

Publication of fourth quarter and annual results 2022	February 14, 2023
Annual General Meeting of Shareholders	March 28, 2023
Publication of first quarter results 2023	April 25, 2023
Publication of second quarter results 2023	July 25, 2023

analyst and press conference call

Today (October 25, 2022), at 09.00 AM CET, Randstad N.V. will be hosting an analyst conference call. The dial-in numbers are:

- International: +44 33 0551 0200

- Netherlands: +31 20 708 5073

To gain access to the conference please tap or state the password 'Randstad'

You can listen to the call through a real-time audio webcast. You can access the webcast and presentation at <https://www.randstad.com/results-and-reports/quarterly-results>. A replay of the presentation and the Q&A will be available on our website by the end of the day.

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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.

randstad profile

Randstad is the world's largest HR services provider and is driven to become the world's most valued 'working life partner', supporting as many people as possible in realizing their true potential throughout their working life. We provide

companies with the high quality, diverse, and agile workforces they need while helping people get rewarding jobs and stay relevant in the ever-changing world of work. In 2021, we helped more than two million people find a job that is right for them, advised 235,000 clients on their HR needs, from talent acquisition to total workforce management, and delivered training to over 450,000 people. We use data and technology to provide the right advice at the right moment at scale, while our consultants across almost 5,000 locations in 38 markets give talent and clients personal, dedicated human attention. It is this combination of Tech and Touch that makes our offer unique. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad N.V. is listed on the Euronext Amsterdam (symbol: RAND). For more information, see www.randstad.com.

interim financial statements.



Q3 2022.

actuals

consolidated income statement

in millions of €, unless otherwise indicated	Q3 2022	Q3 2021	9M 2022	9M 2021
Revenue	7,054	6,275	20,561	17,881
Cost of services	5,575	5,024	16,266	14,389
Gross profit	1,479	1,251	4,295	3,492
Selling expenses	803	656	2,337	1,850
General and administrative expenses	353	312	1,090	915
Other income	-	-	-	(35)
Operating expenses	1,156	968	3,427	2,730
Amortization and impairment of acquisition-related intangible assets and goodwill	7	13	16	38
Total operating expenses	1,163	981	3,443	2,768
Operating profit	316	270	852	724
Net finance income/(costs)	(8)	(1)	-	(11)
Share of profit of associates	-	-	1	1
Income before taxes	308	269	853	714
Taxes on income	(78)	(70)	(218)	(186)
Net income	230	199	635	528
Net income attributable to:				
Holders of ordinary shares Randstad N.V.	228	197	629	522
Holders of preference shares Randstad N.V.	2	2	6	6
Equity holders	230	199	635	528
Non-controlling interests	-	-	-	-
Net Income	230	199	635	528
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (in € per share):				
Basic earnings per share	1.25	1.07	3.44	2.84
Diluted earnings per share	1.24	1.06	3.43	2.82
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	1.32	1.17	3.75	2.96

information by geographical area and revenue category

revenue by geographical area

in millions of €	Q3 2022	Q3 2021	9M 2022	9M 2021
North America	1,458	1,153	4,127	3,261
France	992	908	2,930	2,668
Netherlands	857	856	2,626	2,504
Germany	511	486	1,495	1,392
Italy	535	496	1,671	1,420
Belgium & Luxembourg	438	433	1,269	1,182
Iberia	428	399	1,226	1,091
Other European countries	636	599	1,875	1,712
Rest of the world	805	642	2,213	1,816
Global Businesses	409	318	1,171	875
Elimination of intersegment revenue	(15)	(15)	(42)	(40)
Revenue	7,054	6,275	20,561	17,881

EBITA by geographical area

in millions of €	Q3 2022	Q3 2021	9M 2022	9M 2021
North America	92	65	256	153
France	46	45	143	133
Netherlands	49	65	158	173
Germany	21	13	35	25
Italy	35	30	116	83
Belgium & Luxembourg	20	25	56	62
Iberia	25	24	68	59
Other European countries	24	24	62	49
Rest of the world	33	30	103	91
Global Businesses	7	(11)	8	12
Corporate	(29)	(27)	(137)	(78)
EBITA¹	323	283	868	762

¹ Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill

revenue by revenue category

in millions of €	Q3 2022	Q3 2021	9M 2022	9M 2021
Staffing	3,261	3,178	9,724	8,985
Inhouse	1,765	1,483	5,048	4,266
Professionals	1,634	1,311	4,660	3,795
Global businesses	409	318	1,171	875
Elimination of intersegment revenue	(15)	(15)	(42)	(40)
Revenue	7,054	6,275	20,561	17,881

Total revenue of permanent placements in the revenue categories 'Staffing', 'Inhouse', and 'Professionals', amounted to € 187 million in Q3 2022 (Q3 2021: € 143 million). Revenue of recruitment process outsourcing within Global businesses amounted to € 121 million in Q3 2022 (Q3 2021: € 69 million).

consolidated balance sheet

in millions of €	september 30, 2022	december 31, 2021	september 30, 2021
assets			
Property, plant and equipment	154	151	145
Right-of-use assets	521	507	497
Intangible assets	3,542	3,200	3,208
Deferred income tax assets	560	619	650
Financial assets and associates	192	195	184
Non-current assets	4,969	4,672	4,684
Trade and other receivables	5,991	5,432	4,941
Income tax receivables	141	77	120
Cash and cash equivalents	356	859	699
Current assets	6,488	6,368	5,760
Total assets	11,457	11,040	10,444
equity and liabilities			
Issued capital	26	26	26
Share premium	2,323	2,323	2,323
Reserves	2,375	2,552	2,313
Shareholders' equity	4,724	4,901	4,662
Non-controlling interests	1	1	1
Total equity	4,725	4,902	4,663
Borrowings (including lease liabilities)	718	1,071	518
Deferred income tax liabilities	52	18	45
Provisions and employee benefit obligations	286	256	250
Other liabilities	8	-	2
Non-current liabilities	1,064	1,345	815
Borrowings (including lease liabilities)	313	203	415
Trade and other payables	4,655	4,426	4,079
Dividend	514	-	298
Income tax liabilities	85	63	74
Provisions and employee benefit obligations	99	97	100
Other liabilities	2	4	-
Current liabilities	5,668	4,793	4,966
Total liabilities	6,732	6,138	5,781
Total equity and liabilities	11,457	11,040	10,444

consolidated statement of cash flows

in millions of €	Q3 2022	Q3 2021	9M 2022	9M 2021
Operating profit	316	270	852	724
Amortization and impairment of acquisition-related intangible assets and goodwill	7	13	16	38
EBITA	323	283	868	762
Depreciation, amortization and impairment of property, plant, equipment, right-of-use assets, and software	74	77	223	227
EBITDA	397	360	1,091	989
Provisions and employee benefit obligations	8	(7)	18	(9)
Share-based compensations	13	10	36	33
Gain on disposal of subsidiaries and associates	-	-	-	(35)
CICE	-	5	-	8
Other items	(5)	(3)	(5)	(1)
Cash flow from operations before operating working capital and income taxes	413	365	1,140	985
Operating working capital assets	(87)	(24)	(294)	(496)
Operating working capital liabilities	74	69	65	312
Operating working capital	(13)	45	(229)	(184)
Income taxes	(52)	(30)	(220)	(161)
Net cash flow from operating activities	348	380	691	640
Net additions in property, plant and equipment, and software	(38)	(33)	(89)	(116)
Acquisition of subsidiaries, associates and equity investments	(172)	(110)	(198)	(112)
Disposal of subsidiaries, associates and equity investments	2	-	3	53
Net cash flow from investing activities	(208)	(143)	(284)	(175)
Net purchase of own ordinary shares	-	-	(71)	-
Net increase/(decrease) of non-current borrowings	(200)	120	(404)	120
Net increase/(decrease) of current borrowings	50	92	112	93
Repayments of lease liabilities	(53)	(50)	(157)	(145)
Net financing	(203)	162	(520)	68
Net finance costs paid	(6)	(1)	(11)	(4)
Dividends	-	-	(408)	(306)
Net reimbursement to financiers	(6)	(1)	(419)	(310)
Net cash flow from financing activities	(209)	161	(939)	(242)
Net decrease in cash, and cash equivalents	(69)	398	(532)	223
Cash, and cash equivalents at beginning of period	411	302	859	474
Net movement	(69)	398	(532)	223
Translation and currency gains	14	(1)	29	2
Cash, and cash equivalents at end of period	356	699	356	699
Free cash flow	257	297	445	379

consolidated statement of changes in total equity and consolidated statement of total comprehensive income

in millions of €	July 1 - September 30		january 1 - September 30	
	2022	2021	2022	2021
Begin of period				
Shareholders' equity	4,396	4,439	4,901	4,668
Non-controlling interests	1	1	1	1
Total equity	4,397	4,440	4,902	4,669
Net income for the period, equity shareholders	230	199	635	528
Non-controlling interest	-	-	-	-
Net income for the period	230	199	635	528
Items that subsequently may be reclassified to the income statement	93	14	149	37
Items that will never be reclassified to the income statement	(8)	-	(8)	(1)
Total other comprehensive income, net of taxes	85	14	141	36
Total comprehensive income	315	213	776	564
Other changes in period				
Dividend payable on ordinary shares	-	-	(514)	(298)
Dividend paid on ordinary shares	-	-	(400)	(298)
Dividend paid on preference shares	-	-	(8)	(8)
Share-based compensations	13	10	36	33
Tax on share-based compensations	-	-	4	1
Net purchase of ordinary shares	-	-	(71)	-
Total other changes in period	13	10	(953)	(570)
End of period	4,725	4,663	4,725	4,663
Shareholder's equity	4,724	4,662	4,724	4,662
Non-controlling interests ¹	1	1	1	1
Total equity	4,725	4,663	4,725	4,663

¹ Changes in 'Non-controlling interests', are negligible for all periods.

notes to the consolidated interim financial statements

reporting entity

Randstad N.V. is a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam.

The consolidated interim financial statements of Randstad N.V. as at and for the nine month period ended September 30, 2022 include the company and its subsidiaries (together called 'the Group').

significant accounting policies

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (hereinafter: IFRS).

The accounting policies applied by the Group in these consolidated interim financial statements are unchanged from those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2021.

basis of presentation

These consolidated interim financial statements have been condensed and prepared in accordance with (IFRS) IAS 34 'Interim Financial Reporting'; they do not include all the information required for full (i.e., annual) financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2021.

The consolidated financial statements of the Group as at and for the year ended December 31, 2021 are available upon request at the Company's office or on www.randstad.com.

estimates

The preparation of consolidated interim financial statements requires the Group to make certain judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgments, estimates, and assumptions are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2021.

covid-19

The impact of the global outbreak of COVID-19 on our business has so far been fairly limited in 2022 (and 2021). We continue to monitor and address the impacts of the COVID-19 outbreak although we currently expect limited impact on our business going forward. However, we cannot predict with certainty what these impacts will be for the next quarters.

conflict in Ukraine

We closely follow the geopolitical developments in Eastern Europe. In addition to the human toll, we recognize that rising inflation, rising energy prices, and supply-chain disruptions are signs indicating that this war is increasingly affecting the global economy.

So far, the impact of the consequences of the war on our results has been fairly limited. Looking ahead, there continues to be a high degree of global macroeconomic and geopolitical uncertainty. We are continuously monitoring the situation, with the aim to respond as quickly and effectively as possible to the changing circumstances.

seasonality

The Group's activities are affected by seasonal patterns. The volume of transactions throughout the year fluctuates per quarter, depending on demand as well as on variations in items such as the number of working days, public holidays and holiday periods. The Group usually generates its strongest revenue and profits in the second half of the year, while the cash flow in the second quarter is usually negative due to the timing of payments of dividend and holiday allowances; cash flow tends to be strongest in the second half of the year.

effective tax rate

The effective tax rate for the nine month period ended September 30, 2022 is 25.6% (9M 2021: 26.0%), and is based on the estimated tax rate for the whole year 2022 (actual FY 2021: 24.6%).

acquisition and disposal of group companies, equity investments and associates

In Q3 2022, we had a net cash outflow of € 168 million mainly relating to the acquisition of the Finite Group (Australia & New Zealand). The Finite Group specializes in technology recruitment, IT consulting and a broad array of IT and Digital professional services. Randstad completed the acquisition on September 2, 2022. The provisional purchase price allocation resulted in € 91 million of goodwill and € 86 million of acquisition related intangibles. The assets and liabilities arising from this acquisition are expressed in the following table.

Assets and liabilities arising from acquisitions in 2022	
in millions of €, unless otherwise indicated	Q3 2022
Property, plant & equipment and software	1
Right of use assets	3
Acquisition-related intangible assets	86
Deferred tax assets	1
Total non-current assets	91
Working capital	9
Lease liabilities	3
Provisions and employee benefit obligations	-
Deferred income tax liabilities	32
Total non-current liabilities	35
Net assets acquired	65
Goodwill	91
Total consideration	156
Net debt of subsidiaries acquired	12
Consideration paid, adjusted for net cash acquired	168

In Q3 2022, we finalized the purchase price allocation for our acquisition of Cella Inc, which took place on September 30, 2021.

In the quarter we also had cash outflows of € 2 million (Q3 2021: € 0 million) in relation to payments in respect of acquisitions in prior years.

Reconciliation of amount of acquisition of subsidiaries in CF statement	
in millions of €, unless otherwise indicated	Q3 2022
Total consideration	156
Net debt of subsidiaries acquired	12
Consideration paid, adjusted for net cash acquired	168
Deferred compensation on acquisitions	-
Consideration paid in respect of acquisitions in preceding years	2
Acquisition of subsidiaries, statement of cash flows	170

In the quarter we had cash outflows of € 2 million (Q3 2021: € 3 million) in relation to acquisitions of equity investments. In the quarter we also had cash inflows of € 2 million (Q3 2021: € 0 million) in relation to disposals of equity investments.

In Q3 2022 and Q3 2021 we had no disposals of Group companies.

shareholders' equity

Issued number of ordinary shares	2022	2021
January 1	183,959,312	183,303,552
Share-based compensations	-	655,760
Sept 30	183,959,312	183,959,312

As at September 30, 2022, the Group held 1,094,504 treasury shares (September 30, 2021: 5,120). As at December 31, 2021 the Group held 907,723 treasury shares. The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at September 30 2022, December 31 2021 and September 30, 2021 the number of issued preference shares was 25,200,000 (type B) and 50,130,352 (type C).

earnings per share

in millions of €, unless otherwise indicated	Q3 2022	Q3 2021	9M 2022	9M 2021
Net income for holders of preference and ordinary shares	230	199	635	528
Net income attributable to holders of preference shares	(2)	(2)	(6)	(6)
Net income attributable to holders of ordinary shares	228	197	629	522
Amortization of intangible assets ¹	7	13	16	38
Integration costs and one-offs ²	13	15	62	(2)
Tax effect on amortization, integration costs, and one-offs	(5)	(8)	(20)	(10)
Adjusted net income for holders of ordinary shares	243	217	687	548
Average number of ordinary shares outstanding	182.9	184.0	182.8	183.9
Average number of diluted ordinary shares outstanding	183.6	185.2	183.3	185.0
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (in € per share):				
Basic earnings per share	1.25	1.07	3.44	2.84
Diluted earnings per share	1.24	1.06	3.43	2.82
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs ³	1.32	1.17	3.75	2.96

1 Amortization and impairment of acquisition-related intangible assets and goodwill.

2 FY2021 includes the one-off book profit of €35 million from the disposal of Alma Career Oy

3 Diluted EPS underlying

net debt position

Net debt including lease liabilities at September 30, 2022 amounted to € 675 million, and was € 260 million higher compared to December 31, 2021 (€ 415 million). The net debt position excluding lease liabilities as at September 30, 2022 was € 74 million compared to the net cash position as at December 31, 2021 (€ 179 million). Dividend of € 514 million was paid on October 4th, 2022.

breakdown of operating expenses

in millions of €	Q3 2022	Q3 2021	9M 2022	9M 2021
Personnel expenses	881	714	2,574	2,044
Other operating expenses	275	254	853	686
Operating expenses	1,156	968	3,427	2,730

depreciation, amortization, impairment of property, plant, equipment, right-of-use assets and software

in millions of €	Q3 2022	Q3 2021	9M 2022	9M 2021
Depreciation and impairment of property, plant and equipment	15	13	42	39
Amortization and impairment of software	13	13	44	45
Depreciation and amortization of software	28	26	86	84
Depreciation and impairment of right-of-use assets	46	51	137	143
Total	74	77	223	227

net additions to property, plant, equipment and software, statement of cash flows

in millions of €	Q3 2022	Q3 2021	9M 2022	9M 2021
Additions				
Property, plant and equipment & Software	(39)	(34)	(96)	(119)
	(39)	(34)	(96)	(119)
Disposals				
Proceeds property, plant and equipment	1	1	6	2
(Profit)/Loss	-	-	1	1
	1	1	7	3
Statement of cash flows	(38)	(33)	(89)	(116)

total comprehensive income

Apart from net income for the period, total comprehensive income comprises translation differences and related tax effects that subsequently may be reclassified to the income statement in a future reporting period, and, if any, fair value adjustments of equity investments and remeasurements of post-employment benefits (including tax effects), that will never be reclassified to the income statement.

related-party transactions

There are no material changes in the nature, scope, and (relative) scale in this reporting period compared to last year. More information is included in notes 28, 29 and 30 to the consolidated financial statements as at and for the year ended December 31, 2021.

commitments

The commitments at September 30, 2022 amounted to € 552 million, and were € 208 million higher compared to December 31, 2021 (€ 344 million). The increase in commitments is due to the renewal of IT contracts.

events after balance sheet date

Subsequent to the date of the balance sheet, no events material to the Group as a whole occurred that requires disclosure in this note